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## DIGEST

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HB 442 Original

2015 Regular Session

Leger

**Abstract:** Changes the tax credit for ad valorem tax paid on public service property owned by telephone companies from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law provides for an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions after Dec. 31, 2000, by a telephone company for public service property owned by the telephone company which is assessed by the La. Tax Commission at 25% of fair market value pursuant to present law. The amount of the credit shall be equal to 40% of the taxes paid to political subdivisions.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount and interest to the taxpayer from current tax collections within 90 days of receiving a tax credit claim.

Proposed law changes the tax credit from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years. Proposed law deletes the requirement of paying refunds within 90 days of receiving a tax credit claim.

Present law requires the avails of sales and use taxes collected on the furnishing of interstate and international telecommunication services to be deposited into the Telephone Company Property Assessment Relief Fund for payment of credits and refunds as provided for in present law.

Proposed law retains present law but deletes references to the payment of refunds.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6014(D) and (E)(2))