
DIGEST

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HB 805 Original

2015 Regular Session

Adams

Abstract: Changes the tax credit for ad valorem taxes paid on certain inventory, natural gas, vessels in Outer Continental Shelf Lands Act Waters, and public service property owned by telephone companies from refundable credits to credits 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 on inventory held by manufacturers, distributors, and retailers and on natural gas held or consumed in providing natural gas storage services or operating natural gas storage facilities. The amount of the credit shall be equal to 100% 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 to the taxpayer from current tax collections.

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.

Present law provides for a La. income or corporation franchise tax credit for ad valorem taxes paid without protest to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to the assessor pursuant to present law within the calendar year immediately preceding the taxable year of assessment of the vessel. The amount of the credit shall be equal to 100% of the ad valorem 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 to the taxpayer from current tax collections and to pay or disallow claims for credits, refunds, and interest within 90 days of receiving a tax credit or refund 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 removes references to refunds and interest from the requirement that the secretary pay tax credit amounts within one year of receipt of the tax credit claim.

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. 47:6006(A) and (B), 6006.1(C) and (D), and 6014(D) and (E)(2))