

2015 Regular Session

HOUSE BILL NO. 814

BY REPRESENTATIVE STOKES

TAX CREDITS: Provides for the carry forward rather than the refund of the tax credit for ad valorem taxes paid for certain natural gas

1 AN ACT

2 To amend and reenact R.S. 47:6006(A) and (B), relative to income and corporation franchise
3 tax credits; to provide with respect to the tax credit for ad valorem taxes paid on
4 certain natural gas; to provide with respect to authorization for issuance of refunds
5 for tax credits which exceed taxpayer tax liability; to provide for certain limitations;
6 to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6006(A) and (B) are hereby amended and reenacted to read as
9 follows:

10 §6006. Tax credits for local inventory taxes paid

11 A.(1) There shall be allowed a credit against any Louisiana income or
12 corporation franchise tax for ad valorem taxes paid to political subdivisions on
13 inventory held by manufacturers, distributors, and retailers ~~and~~.

14 (2) There shall be allowed a credit against any Louisiana income or
15 corporation franchise tax for ad valorem taxes paid to political subdivisions on
16 natural gas held, used, or consumed in providing natural gas storage services or
17 operating natural gas storage facilities.

18 B. Credit for taxes paid by corporations shall be applied to state corporate
19 income and corporation franchise taxes. Credit for taxes paid by unincorporated
20 persons shall be applied to state personal income taxes. The taxpayer shall be

1 entitled to a refund for any allowable credit authorized pursuant to Paragraph (1) of
2 Subsection (A) which exceeds the aggregate tax liability of the taxpayer for the taxes
3 imposed by Chapter 1 and Chapter 5 of Subtitle II of this Title. The secretary shall
4 make such refund to the taxpayer in the amount to which he is entitled from the
5 current collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of such
6 Subtitle II. If the amount of the credit authorized pursuant to Paragraph (2) of
7 Subsection (A) exceeds the amount of tax liability for the tax year, then any unused
8 credit may be carried forward as a credit against subsequent Louisiana income or
9 corporation franchise tax liability for a period not to exceed five years.

10 * * *

11 Section 2. The provisions of this Act shall be applicable to tax years beginning on
12 or after January 1, 2015.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 814 Original 2015 Regular Session Stokes

Abstract: Changes the tax credit for ad valorem taxes paid on certain natural gas 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 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 as it relates to ad valorem taxes paid on natural gas held or consumed in providing natural gas storage services or operating natural gas storage facilities 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.

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

(Amends R.S. 47:6006(A) and (B))