

2015 Regular Session

HOUSE BILL NO. 532

BY REPRESENTATIVE STOKES

TAX CREDITS: Provides for the carryforward rather than the refund of a certain portion of the tax credit for ad valorem taxes paid on inventory

1 AN ACT

2 To amend and reenact R.S.47:6006(B); relative to income and corporation franchise tax  
3 credits; to provide with respect for authorization for issuance of refunds for tax  
4 credits which exceed taxpayer tax liability; to provide for certain limitations; to  
5 provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6006(B) is hereby amended and reenacted to read as follows:

8 §6006. Tax credits for local inventory taxes paid

9 \* \* \*

10 B. Credit for taxes paid by corporations shall be applied to state corporate  
11 income and corporation franchise taxes. Credit for taxes paid by unincorporated  
12 persons shall be applied to state personal income taxes. If the amount of the credit  
13 authorized pursuant to Subsection (A) exceeds the amount of tax liability for the tax  
14 year, seventy-five percent shall be refundable and twenty-five percent shall be  
15 carried forward for calendar years 2015, 2016, 2017, and 2018. In calendar year  
16 2019, one hundred percent shall be refundable. The taxpayer shall be entitled to a  
17 refund for any allowable credit which exceeds the aggregate tax liability of the  
18 taxpayer for the taxes imposed by Chapter 1 and Chapter 5 of Subtitle II of this Title.  
19 The secretary shall make such refund to the taxpayer in the amount to which he is

1 entitled from the current collections of the taxes collected pursuant to Chapter 1 and  
2 Chapter 5 of such Subtitle II.

3 \* \* \*

4 Section 2. This Act shall become effective on July 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 532 Engrossed

2015 Regular Session

Stokes

**Abstract:** Changes the tax credit for local inventory taxes paid from a refundable credit to a credit in which 75% of the amount of the credit above the liability is refundable and 25% may be carried forward and applied against subsequent tax liability for calendar years 2015, 2016, 2017, and 2018.

Present law provides that taxes paid by corporations shall be applied to state corporate income and corporation franchise taxes. Further provides that credit for taxes paid by unincorporated persons shall be applied to state personal income taxes.

Present law provides that the taxpayer shall be 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 provides that if the amount of the credit authorized exceeds the amount of tax liability for the tax year, 75% shall be refundable and 25% shall be carried forward for calendar years 2015, 2016, 2017, and 2018. Further provides that in calendar year 2019, 100% shall be refundable.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Increase the amount of the credit that can be refunded from 65% to 75% and decrease the amount of the credit that can be carried forward from 35% to 25%.