

SENATE BILL NO. 15

BY SENATOR MORRELL AND REPRESENTATIVE STOKES

1 AN ACT

2 To amend and reenact R.S. 47:1675(B) and to enact R.S. 47:1675(H)(1)(d), (e), (f), and (g),  
3 relative to refundable tax credits; to provide for the ordering of tax credits and  
4 payments; to provide for certain limitations; to provide relative to utilization of  
5 transferable tax credits in the Tax Credit Registry; to provide for an effective date;  
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:1675(B) is hereby amended and reenacted and R.S.  
9 47:1675(H)(1)(d), (e), (f), and (g) are hereby enacted to read as follows:

10 §1675. General administrative provisions for credits against income and corporation  
11 franchise tax

12 \* \* \*

13 B. Priority of credits. ~~Unless otherwise provided in the statute granting the~~  
14 ~~credit, the~~ **The** department ~~will~~ **shall** apply credits against income and corporation  
15 franchise tax. **The provisions of this Subsection shall supersede and control to**  
16 **the extent of conflict with any other provision of law. Credits and payments**  
17 **shall be applied** in the following order:

18 (1) Current year nonrefundable credits with no carry forward.

19 (2) **Refundable tax credits. Refundable credits, other than the credit**  
20 **provided for in R.S. 47:6006, that are allowable against both income and**  
21 **corporation franchise tax shall be applied first against income tax. Any credit**  
22 **in excess of the income tax liability shall then be applied against corporation**  
23 **franchise tax.**

24 (3) Any carry forward amount from a tax credit earned, granted, or received

1 in a prior year, in the order of the length of the carry forward period remaining,  
2 beginning with the shortest carry forward period.

3 ~~(3)~~(4) Current year nonrefundable credits with a carry forward, in the order  
4 of the length of the carry forward period, beginning with the credit with the shortest  
5 carry forward period.

6 ~~(4)~~(5) Tax credits that are transferable, but that are not refundable that the  
7 taxpayer elects to apply against the tax.

8 ~~(5)~~(6) Refundable tax credits **provided for in R.S. 47:6006.**

9 ~~(6)~~(7) Estimated payments, the credit for withholding, and other payments  
10 of tax.

11 \* \* \*

12 H. Transferable income or corporation franchise tax credits.

13 (1) Unless otherwise provided in the statute granting the credit:

14 \* \* \*

15 **(d) A tax credit cannot be claimed on a tax return or utilized as a**  
16 **payment prior to the effective date of transfer, as reflected in the Tax Credit**  
17 **Registry pursuant to R.S. 47:1524, between the transferor and transferee.**

18 **(e) To claim a credit on a tax return, the effective date of transfer, as**  
19 **reflected in the Tax Credit Registry pursuant to R.S. 47:1524, must be on or**  
20 **before the due date of the return, without regard to the granting of any**  
21 **extension.**

22 **(f) A tax credit with an effective date of transfer, as reflected in the Tax**  
23 **Credit Registry pursuant to R.S. 47:1524, after the due date of the return,**  
24 **without regard to the granting of any extension, may be utilized as a payment.**

25 **(g) A credit acquired through transfer can be applied to any allowable**  
26 **tax liability that is due for the year the credit was originally earned or to any**  
27 **year due afterward until the applicable carryforward period is over.**

28 \* \* \*

29 Section 2. The provisions of this Act shall apply to all taxable periods beginning on  
30 or after January 1, 2016.

1           Section 3. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_