

2016 Second Extraordinary Session

HOUSE BILL NO. 19

BY REPRESENTATIVE MONTOUCET

TAX CREDITS: Reduces the amount of certain ad valorem tax credits and provides for the carry forward rather than the refund of a certain portion of excess credit amounts (Item #36)

1 AN ACT

2 To amend and reenact R.S. 47:6006(A), (B), and (D), relative to income and corporation  
3 franchise tax credits; to provide with respect to tax credits for ad valorem taxes paid  
4 to political subdivisions on certain property; to reduce the amount of the tax credits;  
5 to provide with respect to the issuance of refunds for tax credits which exceed  
6 taxpayer liability; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6006(A), (B), and (D) are hereby amended and reenacted to read  
9 as 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. The amount of the credit  
14 is provided for in Subsection D of this Section.

15 (2) There shall be allowed a credit against any Louisiana income or  
16 corporation franchise tax for ad valorem taxes paid to political subdivisions on  
17 natural gas held, used, or consumed in providing natural gas storage services or  
18 operating natural gas storage facilities. The amount of the credit is provided for in  
19 Subsection D of this Section.





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**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)]

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HB 19 Original

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Montoucet

**Abstract:** Reduces the amount of the tax credits for ad valorem taxes paid to all political subdivisions for inventory from 100% to 80% and modifies refundability of excess credit amounts for ad valorem taxes paid on and after Jan. 1, 2016.

Present law provides for income or corporation franchise tax credits for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and for ad valorem taxes paid to political subdivisions on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Present law provides that if a taxpayer pays less than \$10,000 in ad valorem taxes to all political subdivisions, then any amount of the tax credit that exceeds the taxpayer's tax liability is 100% refundable to the taxpayer. Further provides that if a taxpayer pays \$10,000 or more in ad valorem taxes to all political subdivisions, then 75% of the amount of the credit that exceeds the taxpayer's tax liability is refundable to the taxpayer and the remaining 25% of the credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

Proposed law changes present law by reducing the amount of the credit for inventory taxes paid to all political subdivisions on and after Jan. 1, 2016, from 100% of the inventory taxes paid to 80%.

Proposed law retains present law regarding the refundability of the excess amount of tax credit for taxpayers whose tax liability is less than the amount of the credit.

Proposed law prohibits the allowance of any credit provided for in present law on a return filed before July 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

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