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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 6 Original

2016 Second Extraordinary Session

Morrell

Present law provides for a tax credit against income and corporation franchise tax for 100% of the ad valorem tax paid to political subdivisions on certain inventory.

Present law provides for full refundability of ad valorem taxes paid, for taxpayers whose total payments of ad valorem tax eligible for the credit is less than \$10,000.

Proposed law retains present law.

Present law authorizes refundability for 75% of the tax credit for ad valorem tax paid on inventory for taxpayers whose total payments of ad valorem tax eligible for the credit is \$10,000 or more and provides for a nonrefundable credit for the remaining 25% of the credit that is in excess of the taxpayer's tax liability.

Proposed law retains present law for those taxpayers whose total payments of ad valorem tax eligible for the credit is less than \$500,000.

Proposed law provides that for those taxpayers whose total payments of ad valorem tax eligible for the credit is \$500,000 or more, that any tax credit that exceeds the tax liability by more than \$500,000 may not be refunded and shall only be used as a nonrefundable tax credit with a five-year carry forward.

Applicable to all tax returns and refund claims filed on or after July 1, 2016.

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

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