

## RÉSUMÉ DIGEST

**ACT 5 (SB 10)**

**2016 Second Extraordinary Session**

**Ward**

Prior law provided that ad valorem tax forms filed by a taxpayer shall be confidential and shall be used by the assessor, the governing authority, and the La. Tax Commission solely for the purpose of administering the provisions of Acts 1976, No. 705.

New law permits use of ad valorem tax forms by the Department of Revenue for purposes of verifying eligibility for inventory tax credits.

Prior law authorized a partially refundable tax credit for taxpayers who pay \$10,000 or more in ad valorem taxes on inventory held by manufacturers and allows any unused credits to be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

Prior law provided for the definition of "inventory" and contained certain exclusions from that definition.

Prior law provided that a "manufacturer" means a person engaged in the business of working raw materials into wares suitable for use or which give new shapes, qualities, or combinations to matter which already has gone through some artificial process.

New law retains prior law but further provides that a "manufacturer" shall also mean a person who meets present law definition of manufacturer and who has claimed the ad valorem exemption under present constitution during the taxable year in which the local inventory taxes were levied. New law further provides that such manufacturers and all related parties, affiliates, subsidiaries, parent companies, or owners of such manufacturers for the inventory held that is related to the business of such manufacturers may only carry forward for five years any excess credit amount in present law. New law also provides that the secretary shall promulgate rules to ensure that taxpayers affiliated with or related to any other entity through common ownership by the same interests or as a parent or subsidiary shall be considered one taxpayer for the purpose of the limitations on refundability provided for in new law.

New law applies to all claims for these credits on any return filed on or after July 1, 2016, regardless of the taxable year to which the return relates.

New law shall not apply to an amended return filed on or after July 1, 2016, provided that these credits were properly claimed on an original return filed prior to July 1, 2016.

Effective upon signature of governor (June 28, 2016).

(Amends R.S. 47:2327 and 6006(C)(3); adds R.S. 47:6006(B)(3))