

## RÉSUMÉ DIGEST

**ACT 10 (HB 29)                      2016 Second Extraordinary Session                      Price**

Existing law provides for the refunds of overpayments of specific taxes. Refunds bear interest at the rate of judicial interest. Prior law required interest to begin to accrue from 90 days after the filing date of the return showing the overpayment or the due date of such return, whichever is later.

Existing law, for all refunds or credits issued by the secretary of the Dept. of Revenue (the secretary), requires the secretary to compute and allow as part of a refund or credit, interest at the rate of judicial interest. Prior law required interest to begin to accrue at the date the return was due, the first return for that tax period was filed, or the tax was paid, whichever was later.

New law provides that interest begins to accrue 90 days after the date the return was due, the return claiming overpayment was filed, or the tax was paid, whichever is later. New law governs the calculation of interest on all refunds or credits by or on behalf of the secretary pursuant to Title 26 (Liquors - Alcoholic Beverages), Title 47 (Revenue and Taxation), Title 51 (Trade and Commerce), or any other revised statute, except interest on refunds granted pursuant to the International Fuel Tax Agreement.

Existing law prohibits the accrual of interest as part of any refund or credit which relates to the pre-petition tax period of a petition for bankruptcy relief filed in accordance with existing federal law.

New law specifies that the prohibition of the accrual of interest applies to any overpayment as it relates to the pre-petition tax period of a petition for bankruptcy relief in accordance with existing federal law.

Existing law (R.S. 47:1624.1) provides for the payment of interest on the overpayment of severance tax to an operator whose new horizontal or deep well qualifies for a severance tax suspension. For the first 180 days after a properly filed claim for refund or an amended return is submitted, the rate of interest is the U.S. Treasury Yield Curve Constant Maturity 6-Month Treasury Rate on Oct. 1 of the preceding year. Any interest after the first 180 days is calculated at the judicial interest rate.

Prior law authorized the secretary to net any overpayments of franchise tax against corporate income taxes due in determining the amount of interest the corporation owed on the unpaid taxes. Further authorized the secretary to net any overpayments of corporate income tax against franchise taxes due.

New law authorizes the secretary to offset any overpayments of estimated corporate income tax or franchise tax against the estimated corporate income tax in determining the amount of interest the corporation owes.

Applicable to any refunds issued on or after Sept. 1, 2016, notwithstanding the tax period to which the claim relates.

Effective July 1, 2016.

(Amends R.S. 47:115(A)(3) and (C) and 1624; Repeals R.S. 47:287.657, 617, and 1624.1)