

2017 Regular Session

SENATE BILL NO. 32

BY SENATOR MORRELL

TAX/AD VALOREM. Provides for the sunset of the tax credit for ad valorem taxes paid on natural gas. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6006(A)(2) and to enact R.S. 47:6006(C)(2)(vi), relative to  
3 tax credits; to sunset the income and franchise tax credit for ad valorem taxes paid  
4 on natural gas in storage; to provide for definitions; to provide for an effective date;  
5 and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6006(A)(2) is hereby amended and reenacted and R.S.  
8 47:6006(C)(2)(vi) is hereby enacted to read as follows:

9 §6006. Tax credits for local inventory taxes paid

10 A.(1) \* \* \*

11 (2) There shall be allowed a credit against any Louisiana income or  
12 corporation franchise tax for ad valorem taxes paid **on or before December 31,**  
13 **2017,** to political subdivisions on natural gas held, used, or consumed in providing  
14 natural gas storage services or operating natural gas storage facilities.

15 \* \* \*

16 C. For purposes of this Section, the following terms shall have the meanings  
17 ascribed to them:

1 \* \* \*

2 (2) \* \* \*

3 \* \* \*

4 (b) "Inventory" shall not include the following:

5 \* \* \*

6 **(vi) After December 31, 2017, natural gas held, used, or consumed in**  
7 **providing natural gas storage services or operating natural gas storage facilities.**

8 \* \* \*

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

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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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SB 32 Original DIGEST 2017 Regular Session Morrell

Present law authorizes an income and corporation franchise tax credit for ad valorem taxes paid on certain inventory including natural gas held or used for storage.

Proposed law sunsets the provision of the credit that authorizes the credit for natural gas held or used for storage.

Present law provides a list of items that will not be considered inventory for purposes of the tax credit.

Proposed law adds natural gas held or used for storage after Dec. 31, 2017 to the list of items that are not considered to be inventory for purposes of the credit.

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

(Amends R.S. 47:6006(A)(2); adds R.S. 47:6006(C)(2)(vi))