SLS 17RS-206

ORIGINAL

2017 Regular Session

SENATE BILL NO. 49

BY SENATOR MORRELL

TAX/AD VALOREM. Provides for termination of the tax credit for ad valorem taxes paid by certain telephone companies. (gov sig)

1	AN ACT
2	To amend and reenact R.S. 47:6014(A), (B), and (E) and to repeal R.S. 47:6014(F), relative
3	to tax credits; to provide for termination of the credit for property taxes paid by
4	certain telephone companies; to provide relative to sales and use taxes deposited to
5	the Telephone Company Property Assessment Relief Fund; to repeal an expired
6	reporting provision; to provide for an effective date; and to provide for related
7	matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 47:6014(A), (B), and (E) are hereby amended and reenacted to read
10	as follows:
11	A. Pursuant to the provisions of this Section, there shall be allowed a credit
12	against Louisiana corporation or individual income taxes and Louisiana corporation
13	franchise tax for, and in an amount equal to, forty percent of the aggregate ad
14	valorem taxes paid to political subdivisions of this state after December 31, 2000
15	and on or before December 31, 2019, by a telephone company, as defined in R.S.
16	47:1851(Q), with respect to such telephone company's public service properties, as
17	defined in R.S. 47:1851(M), which are assessed by the Louisiana Tax Commission

Page 1 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	at twenty-five percent of fair market value pursuant to R.S. 47:1854.
2	B. The credit allowed under this Section shall be applied against any
3	Louisiana income or corporation franchise tax shown on a return filed by a person
4	as defined in R.S. 47:2, entitled to such credit as determined under Subsection C of
5	this Section for income or franchise tax years ending on or after December 31, 2001.
6	* * *
7	E.(1)(a) The avails of sales and use taxes imposed pursuant to R.S. 47:302,
8	321, and 331 attributable to the furnishing of interstate and international
9	telecommunication services, as both those terms are defined in Chapter 2 of Subtitle
10	II of this Title, shall be credited to the Bond Security and Redemption Fund, and
11	after a sufficient amount is allocated from that fund to pay all of the obligations
12	secured by the full faith and credit of the state which become due and payable within
13	any fiscal year, the treasurer shall deposit an amount of avails as determined
14	pursuant to Subparagraph (b) of this Paragraph into a special fund which is hereby
15	created and established in the state treasury and known as the "Telephone Company
16	Property Assessment Relief Fund", hereinafter the "fund", however no deposits
17	shall be made to the fund for sales and use taxes that accrue after December 31,
18	<u>2019</u> .
19	* * *
20	Section 2. R.S. 47:6014(F) is hereby repealed.
21	Section 3. This Act shall become effective upon signature by the governor or, if not
22	signed by the governor, upon expiration of the time for bills to become law without signature
23	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
24	vetoed by the governor and subsequently approved by the legislature, this Act shall become
25	effective on the day following such approval.

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

SB 49 Original

DIGEST 2017 Regular Session

Morrell

<u>Present law</u> provides an income and franchise tax credit for 40% of the ad valorem tax paid by telephone companies on their public service property.

Proposed law terminates the credit for ad valorem taxes paid after Dec. 31, 2019.

<u>Present law</u> dedicates state sales and use tax from interstate telecommunications to the Telephone Company Property Assessment Relief Fund to pay for the tax credit.

<u>Proposed law</u> eliminates the dedication of state sales and use tax proceeds from interstate telecommunications for sales and use taxes that accrue after Dec. 31, 2019.

<u>Present law</u> requires the House Committee on Ways and Means and the Senate Committee on Revenue and Fiscal Affairs to study this tax credit and make a recommendation regarding the tax credit by Mar. 1, 2017.

<u>Proposed law</u> repeals the study and recommendation provision.

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

(Amends R.S. 47:6014(A), (B), and (E); repeals R.S. 47:6014(F))