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 DIGEST

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SB 182 Engrossed

2017 Regular Session

Morrell

Present law provides for a refundable tax credit for local ad valorem taxes paid on inventory and limits refundability for certain affiliated taxpayers.

Proposed law retains present law and restricts the refund limitation for affiliated taxpayers to taxpayers that are members of the same federal consolidated group for federal income tax purposes.

Present law provides that for a manufacturer, as defined in proposed law, and for all related parties, affiliates, subsidiaries, parent companies, or owners of such manufacturer for the inventory held that is related to the business of such manufacturer, if the amount of the credit authorized pursuant to proposed law exceeds the amount of tax liability for the tax year, the excess credit may only be carried forward as a credit against subsequent Louisiana income or corporation franchise tax liability for a period not to exceed five years and shall not be refundable. 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 this Paragraph. This rulemaking authority shall be in addition to the rulemaking authority provided for elsewhere in this Title.

Proposed law retains present law but makes related party language uniform throughout proposed law.

Proposed law is applicable to all claims for the credit on any return filed on or after July 1, 2017, regardless of the taxable year to which the return relates. Further prohibits application of proposed law to claims for the credit on an amended return filed on or after July 1, 2017, if the credit was properly claimed on an original return that was filed prior to July 1, 2017.

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

(Amends R.S. 47:6006(B)(2) and (4))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Provides for uniformity as it relates to the designation of "related parties" regarding consolidated federal income tax return.

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the engrossed bill:

1. Add applicability provisions.