

RÉSUMÉ DIGEST

ACT 385 (SB 182)

2017 Regular Session

Morrell

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

New law retains prior 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.

Prior law provided that for a manufacturer, as defined in new 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 new 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 will not be refundable. The secretary will 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 will be considered one taxpayer for the purpose of the limitations on refundability provided for in new law. This rulemaking authority will be in addition to the rulemaking authority provided for elsewhere in prior law.

New law retains prior law but makes related party language uniform throughout new law.

New 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 new 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 (June 23, 2017).

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