

2025 Regular Session

SENATE BILL NO. 44

BY SENATOR LUNEAU

TAX/TAXATION. Provides relative to the transfer and refundability of certain income tax credits. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6006(B), 6006.1(D), 6014(D) and (E)(2), 6018(E),
3 6022(E)(2) and 6043(B)(1) and (D), R.S. 47:6006.1(C) and 6015(D) as amended and
4 reenacted by Section 1 of Act 6 of the 2024 Third Extraordinary Session of the
5 Legislature of Louisiana and to enact R.S. 47:6022(E)(3), relative to income tax
6 credits; to provide relative to the application of tax credits on a tax return; to provide
7 for the carryforward of tax credits; to provide relative to the transfer of credits; to
8 provide relative to the transfer of tax credits; to provide for applicability; to provide
9 for an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6006(B), 6006.1(D), 6014(D) and (E)(2), 6018(E), 6022(E)(2) and
12 6043(B)(1) and (D) are hereby amended and reenacted and R.S. 47:6022(E)(3) is hereby
13 enacted to read as follows:

14 §6006. Tax credits for local inventory taxes paid

15 * * *

16 B.(1) Credit for taxes paid by unincorporated persons and pass-through
17 entities shall be applied to state individual income taxes. ~~The secretary shall make~~

1 a refund to the taxpayer in the amount to which he is entitled from the current
2 collections of the taxes collected pursuant to Chapter 1 of Subtitle II of this Title. If
3 the amount of the credit authorized pursuant to Subsection A of this Section exceeds
4 the amount of tax liability for the tax year, the following amounts of the excess credit
5 shall either be refundable or If the amount of the credit authorized pursuant to
6 the provisions of this Section exceeds the amount of the taxpayer's tax liability
7 for the taxable year, the excess tax credit amount may be carried forward as a
8 credit against subsequent Louisiana individual income tax liability for a period not
9 to exceed ten years, as follows:

10 (a) Taxpayers whose ad valorem taxes eligible for the credit authorized
11 pursuant to this Section paid to all political subdivisions in the taxable year was less
12 than or equal to five hundred thousand dollars shall be refunded all of the excess
13 credit.

14 (b) Taxpayers whose ad valorem taxes eligible for the credit authorized
15 pursuant to this Section paid to all political subdivisions in the taxable year was more
16 than five hundred thousand dollars, but less than or equal to one million dollars, shall
17 be refunded seventy-five percent of the excess credit, and the remaining twenty-five
18 percent of the excess credit shall be carried forward as a credit against subsequent
19 tax liability for a period not to exceed ten years.

20 (c) Taxpayers whose ad valorem taxes eligible for the credit authorized
21 pursuant to this Section paid to all political subdivisions in the taxable year was more
22 than one million dollars shall be refunded seventy-five percent of the first one
23 million dollars of excess credit, and the remaining amount of the credit shall be
24 carried forward as a credit against subsequent tax liability for a period not to exceed
25 ten years.

26 (2) Each taxpayer allowed a credit under this Section shall claim the credit
27 on its separately filed individual income tax return.

28 (3)(a) Subparagraphs (1)(a) and (b) of this Subsection shall not apply to any
29 new business entity formed or registered to do business in this state after April 15,

1 2016:

2 (b) ~~New business entities formed or first registered to do business in this state~~
3 ~~after April 15, 2016, whose ad valorem taxes paid to all political subdivisions in the~~
4 ~~taxable year was less than ten thousand dollars shall be refunded all of the excess~~
5 ~~credit.~~

6 (c) ~~New business entities formed or first registered to do business in this state~~
7 ~~after April 15, 2016, whose ad valorem taxes paid to all political subdivisions in the~~
8 ~~taxable year was ten thousand dollars or more, but no more than one million dollars~~
9 ~~shall be refunded seventy-five percent of the excess credit, and the remaining~~
10 ~~twenty-five percent of the credit shall be carried forward as a credit against~~
11 ~~subsequent tax liability for a period not to exceed ten years.~~

12 (4) ~~Notwithstanding any provision in this Section to the contrary, for a~~
13 ~~manufacturer, as defined in Subparagraph (C)(3)(b) of this Section, if the amount of~~
14 ~~the credit authorized pursuant to Subsection A of this Section exceeds the amount~~
15 ~~of tax liability for the tax year, the excess credit shall not be refundable and may only~~
16 ~~be carried forward as a credit against subsequent Louisiana individual income tax~~
17 ~~liability for a period not to exceed ten years and shall not be refundable.~~

18 * * *

19 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental Shelf
20 Lands Act Waters

21 * * *

22 D.(1) For the purpose of allowing the credit ~~or refund~~ for ad valorem taxes
23 paid to political subdivisions as provided herein, the term "vessel" shall include
24 ships, oceangoing tugs, towboats, and barges. The term "Outer Continental Shelf
25 Lands Act Waters" as used herein shall have the meaning ascribed to it in R.S.
26 47:1702.

27 * * *

28 §6014. Credit for property taxes paid by certain telephone companies; fund

29 * * *

1 ~~collections of the taxes imposed by Chapter 1 or Chapter 5 of Subtitle II of Title 47~~
2 ~~of the Louisiana Revised Statutes of 1950, as amended, together with interest as~~
3 ~~provided in R.S. 47:1624. The right to a credit or refund of any such overpayment~~
4 ~~shall not be subject to the requirements of R.S. 47:1621(B). All credits and refunds,~~
5 ~~together with interest thereon, shall be paid or disallowed within ninety days of~~
6 ~~receipt by the secretary of any such claim for refund or credit. Failure of the~~
7 ~~secretary to pay or disallow the credit or refund in whole or in part shall entitle the~~
8 ~~aggrieved taxpayer to proceed with the remedies provided in R.S. 47:1625~~ **If the**
9 **amount of the credit authorized pursuant to the provisions of this Section**
10 **exceeds the amount of the taxpayer's tax liability for the taxable year, the excess**
11 **tax credit amount may be carried forward as a credit against subsequent**
12 **Louisiana individual income tax liability for a period not to exceed ten years.**

13 * * *

14 §6022. Digital interactive media and software tax credit

15 * * *

16 E. Use of tax credits.

17 * * *

18 (2) For tax credits earned for expenditures made on or after January 1, 2012,
19 **but before January 1, 2026:**

20 * * *

21 **(3) For tax credits earned for expenditures made on or after January 1,**
22 **2026, if the amount of the credit authorized pursuant to the provisions of this**
23 **Section exceeds the amount of the taxpayer's tax liability for the taxable year,**
24 **the excess tax credit amount may be carried forward as a credit against**
25 **subsequent Louisiana individual income tax liability for a period not to exceed**
26 **ten years.**

27 * * *

28 §6043. Recycling of oyster shells; restaurant tax credit

29 * * *

1 B.(1) There shall be allowed a ~~refundable~~ credit against Louisiana income tax
2 for restaurants that donate oyster shells for beneficial use in accordance with the
3 qualifications provided in this Subsection.

4 * * *

5 D. ~~If the amount of the credit authorized by this Section exceeds the amount~~
6 ~~of the taxpayer's tax liability for the taxable year, the excess tax credit amount shall~~
7 ~~constitute an overpayment as defined in R.S. 47:1621(A), and the secretary shall~~
8 ~~make a refund of the overpayment from the current collections of the taxes imposed~~
9 ~~pursuant to Chapter 1 of Subtitle II of this Title. The right to a refund shall not be~~
10 ~~subject to the requirements of R.S. 47:1621(B)~~ **If the amount of the credit**
11 **authorized pursuant to the provisions of this Section exceeds the amount of the**
12 **taxpayer's tax liability for the taxable year, the excess tax credit amount may**
13 **be carried forward as a credit against subsequent Louisiana individual income**
14 **tax liability for a period not to exceed five years.**

15 * * *

16 Section 2. R.S. 47:6006.1(C) and 6015(D) as amended and reenacted by Section 1
17 of Act 6 of the 2024 Third Extraordinary Session of the Legislature of Louisiana are hereby
18 amended and reenacted to read as follows:

19 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental Shelf
20 Lands Act Waters

21 * * *

22 C. ~~Notwithstanding any other provision of law to the contrary in this Title,~~
23 ~~any excess of allowable credit established by this Section over the aggregate tax~~
24 ~~liabilities against which the credit can be applied, as provided in this Section, shall~~
25 ~~constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary shall~~
26 ~~make a refund of the overpayment from the current collections of the taxes imposed~~
27 ~~by Chapter 1 of Subtitle II of this Title, together with interest as provided in R.S.~~
28 ~~47:1624. The right to a credit or refund of an overpayment shall not be subject to the~~
29 ~~requirements of R.S. 47:1621(B). All credits and refunds, together with interest~~

1 ~~thereon, must be paid or disallowed within ninety days of receipt by the secretary of~~
2 ~~the claim for refund or credit. Failure of the secretary to pay or disallow, in whole~~
3 ~~or in part, any claim for a credit or a refund shall entitle the aggrieved taxpayer to~~
4 ~~proceed with the remedies provided in R.S. 47:1625~~ **If the amount of the credit**
5 **authorized pursuant to the provisions of this Section exceeds the amount of the**
6 **taxpayer's tax liability for the taxable year, the excess tax credit amount may**
7 **be carried forward as a credit against subsequent Louisiana individual income**
8 **tax liability for a period not to exceed ten years.**

* * *

§6015. Research and development tax credit

* * *

12 D.(1) A taxpayer who receives a Phase I or II grant or contract from the
13 federal Small Business Technology Transfer Program or a federal Small Business
14 Innovation Research Grant as created by the Small Business Innovation
15 Development Act of 1982 (P.L. 97-219), reauthorized by the Small Business
16 Research and Development Enhancement Act (P.L. 102-564), reauthorized by the
17 Small Business Reauthorization Act of 2000 (P.L. 106-554), and reauthorized again
18 by the SBIR and STTR Extension Act of 2022 (P.L. 117-183) shall be allowed a tax
19 credit in an amount equal to thirty percent of the award received during the tax year.

20 ~~(2) In addition to the credit utilization allowed by Paragraph (C)(3) of this~~
21 ~~Section, research and development tax credits for tax years 2018 and later that are~~
22 ~~based on participation in the Small Business Technology Transfer Program or the~~
23 ~~Small Business Innovation Research Grant program and that were not previously~~
24 ~~claimed by any taxpayer against his income tax may be transferred or sold to another~~
25 ~~Louisiana taxpayer, subject to the following conditions:~~

26 ~~(a) A single transfer or sale may involve one or more transferees. A transferee~~
27 ~~of the tax credits may transfer or sell such tax credits subject to the conditions of this~~
28 ~~Paragraph.~~

29 ~~(b) Transferors and transferees shall submit to the Department of Revenue~~

1 ~~in writing, a notification of any transfer or sale of tax credits within ten business days~~
 2 ~~after the transfer or sale of such tax credits. No transfer or sale of tax credits shall be~~
 3 ~~effective until recorded in the tax credit registry in accordance with R.S. 47:1524.~~
 4 ~~The notification shall include the transferor's tax credit balance prior to transfer, a~~
 5 ~~copy of any tax credit certification letter issued by Louisiana Economic~~
 6 ~~Development, the transferor's remaining tax credit balance after transfer, all tax~~
 7 ~~identification numbers for both transferor and transferee, the date of the transfer, the~~
 8 ~~amount transferred, a copy of the credit certificate, the price paid by the transferee~~
 9 ~~to the transferor, and any other information required by the Department of Revenue.~~
 10 ~~The notification submitted to the Department of Revenue shall include a transfer~~
 11 ~~processing fee of two hundred dollars per transferee.~~

12 ~~(c) Failure to comply with this Paragraph shall result in the disallowance of~~
 13 ~~the tax credit until the taxpayers are in full compliance.~~

14 ~~(d) The transfer or sale of this credit does not extend the time in which the~~
 15 ~~credit can be used. The carryforward period for a credit that is transferred or sold~~
 16 ~~begins on the date on which the credit was earned.~~

17 * * *

18 Section 3. The provisions of this Act shall be applicable to taxable periods beginning
 19 on or after January 1, 2026.

20 Section 4. This Act shall become effective upon signature by the governor or, if not
 21 signed by the governor, upon expiration of the time for bills to become law without signature
 22 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 23 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 24 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 Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

C-corporations for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities. The credit is refundable in certain circumstances.

Proposed law prohibits the credit from being refundable, instead provides for a 10 year carry forward period, and otherwise retains present law.

Present law provides a 40% refundable tax credit for the ad valorem taxes paid by a telephone for the telephone company's public service properties as assessed by the La. Tax Commission.

Proposed law repeals the refundability of the tax credit, instead provides for a 10 year carry forward period, and otherwise retains present law.

Present law provides a refundable tax credit for any individual or business which purchases specialty apparel items including, from a contractor in a certified Private Sector/Prison Industry Enhancement Program which employs inmates of La. correctional institutions to manufacture such apparel.

Proposed law repeals the refundability of the tax credit, instead provides for a 10 year carry forward period, and otherwise retains present law.

Present law authorizes a refundable income tax credit for applications for state-certified digital media productions submitted to the office of entertainment industry development and subsequently approved by the office and secretary of economic development, that shall be earned by a company at the time funds are expended in La. on a state-certified production. Further provides that at the time of final certification, the company may elect to receive a rebate of the credits at 85% of the face value of the credits.

Proposed law repeals the refundability of the tax credit, repeals the ability to receive a rebate of the tax credit at 85% of their face value, provides for a 10 year carry forward period, and otherwise retains present law.

Present law authorizes a refundable tax credit against La. income taxes for restaurants that donate oyster shells for beneficial use in accordance with the qualifications in present law.

Proposed law repeals the refundability of the tax credit, instead provides for a 10 year carry forward period, and otherwise retains present law.

Present law provides a refundable credit against La. income taxes for ad valorem taxes paid to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters as certified to the assessor pursuant to present law within the calendar year immediately preceding the taxable year of assessment of such vessel.

Proposed law repeals the refundability of the tax credit, instead provides for a 10 year carry forward period, and otherwise retains present law.

Present law authorizes an income and tax credit for taxpayers who receive a federal Small Business Innovation Research (SBIR) grant or contract and Phase I or Phase II grants or contracts from the federal Small Business Technology Transfer (STTR) program equal to 30% of the award received during the tax year. Further authorizes the transfer or sale of SBIR or STTR credits to another La. taxpayer.

Proposed law repeals the transferability of the SBIR and STTR tax credits, instead provides for a 10 year carry forward period, and otherwise retains present law.

Applicable to taxable periods beginning on or after January 1, 2026.

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

(Amends R.S. 47:6006(B), 6006.1(D), 6014(D) and (E)(2), 6018(E), 6022(E)(2) and 6043(B)(1) and (D), R.S. 47:6006.1(C) and 6015(D) as amended by §1 of Act No. 6 of the 2024 3rd ES; adds R.S. 47:6022(E)(3))