HLS 25RS-909 ENGROSSED

2025 Regular Session

HOUSE BILL NO. 383

20

BY REPRESENTATIVE BRASS

TAX CREDITS: Postpones the termination of a tax credit for C-corporations for local inventory taxes paid but reduces the amount of the credit for those taxpayers

1 AN ACT 2 To amend and reenact R.S. 47:6006(A)(3), relative to income tax; to provide with respect 3 to tax credits; to provide for the claiming by certain filers of the tax credit for local 4 inventory taxes paid; to extend the period in which certain corporate taxpayers may 5 claim the credit; to provide for credit amounts available to those taxpayers; to 6 provide for termination of the credit for those filers; to provide for applicability; to 7 provide for effectiveness; and to provide for related matters. 8 Be it enacted by the Legislature of Louisiana: 9 Section 1. R.S. 47:6006(A)(3) is hereby amended and reenacted to read as follows: 10 §6006. Tax credits for local inventory taxes paid 11 A. 12 13 (3)(a) Notwithstanding the provisions of Paragraphs (1) and (2) of this 14 Subsection, and subject to the reductions provided for in Subparagraph (b) of this 15 Paragraph, no credit shall be allowed for taxpayers any taxpayer taxed as a 16 C-corporation for federal income tax purposes for taxable periods beginning on or 17 after July 1, <del>2026</del> 2028. However, any such taxpayer may carry forward any remaining credits for an additional five years from the date that the credits would 18 19 have expired under the provisions of this Section. This additional carry forward

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period shall not apply to any credits for which the carry forward period expired prior

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1	to January 1, 2025. For taxable periods beginning on or after January 1, 2025, credit
2	amounts earned by taxpayers taxed as a C-corporation for federal income tax
3	purposes that exceed the taxpayer's tax liability shall not be eligible for refund and
4	may only be used as a credit against subsequent Louisiana corporation income tax
5	liability.
6	(b) For taxable periods beginning on or after July 1, 2026, the amount of the
7	credit for a taxpayer taxed as a C-corporation for federal income tax purposes shall
8	be reduced as follows:
9	(i) For taxable periods beginning on or after July 1, 2026, and ending before
10	July 1, 2027, fifty percent.
11	(ii) For taxable periods beginning on or after July 1, 2027, and ending before
12	July 1, 2028, seventy-five percent.
13	* * *
14	Section 2. The provisions of this Act shall apply to taxable periods beginning on or
15	after January 1, 2026.
16	Section 3. This Act shall become effective on January 1, 2026.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 383 Engrossed

2025 Regular Session

Brass

**Abstract:** Extends the period for which C-corporation tax filers can claim a tax credit for local inventory taxes paid to June 30, 2028, but reduces the amount of the credit in two phases prior to its elimination.

<u>Present law</u> establishes an income tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers, referred to hereafter as local inventory taxes paid.

<u>Present law</u> provides that no credit for local inventory taxes paid shall be allowed to C-corporations for taxable periods beginning on or after July 1, 2026. <u>Proposed law</u> changes this termination date for the tax credit for C-corporations <u>to</u> July 1, 2028.

<u>Proposed law</u> provides that for taxable periods beginning on or after July 1, 2026, the credit for a C-corporation for local inventory taxes paid shall be reduced by the following amounts:

(1) For taxable periods beginning on or after July 1, 2026, and ending before July 1, 2027, 50%.

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(2) For taxable periods beginning on or after July 1, 2027, and ending before July 1, 2028, 75%.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:6006(A)(3))

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:

- 1. Change the termination date provided in <u>proposed law</u> for the inventory tax credit for C-corporations <u>from</u> July 1, 2036, <u>to</u> July 1, 2028.
- 2. Change the schedule of rate reductions provided for in proposed law.