
DIGEST

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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.

Present law 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.

Present law 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. Proposed law changes this termination date for the tax credit for C-corporations to July 1, 2028.

Proposed law 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%.
- (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 House Committee on Ways and Means to the original bill:

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