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## DIGEST

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HB 366 Original

2015 Regular Session

Adams

**Abstract:** Changes various refundable income and corporate franchise tax credits to nonrefundable tax credits.

Present law provides for the payment of certain credits in excess of the tax liability for the taxable period, also known as refundable credits, including the following credits:

- (1) Rehabilitation of residential structures (R.S. 47:297.6) - credit for the cost of the rehabilitation of certain structures in a National Register Historic District
- (2) Local inventory taxes (R.S. 47:6006) - credit against income or corporation franchise tax for ad valorem property taxes paid to political subdivisions on inventory held.
- (3) Vessels in Outer Continental Shelf Lands Act Waters (R.S. 47:6006.1) - credit against income or corporation franchise tax for ad valorem property taxes paid to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters.
- (4) Property taxes paid by certain telephone companies (R.S. 47:6014) - credit against income corporation franchise tax for certain ad valorem property taxes paid to political subdivisions by a telephone company.
- (5) Research and development tax credit (R.S. 47:6015) - credit for qualified research expenses.
- (6) Solar energy systems tax credit (R.S. 47:6030) - credit a portion of the cost of a solar energy system that is already installed in a newly constructed residence or which is purchased and installed at an existing residence.
- (7) Certain milk producers (R.S. 47:6032) - credit based on certain amounts of milk produced and sold
- (8) Musical and theatrical production income (R.S. 47:6034)- credit for state-certified musical or theatrical productions or infrastructure projects or for higher education musical or theatrical infrastructure projects certified by the Department of Economic Development.
- (9) Conversion of vehicles to alternative fuel usage (R.S. 47:6035) - credit for a portion of the cost of qualified clean-burning motor vehicle fuel property which operates on "alternative fuel", defined as natural gas, liquified petroleum gas, and any nonethanol based advanced biofuel and includes certain electric vehicles.

Proposed law changes credits provided for in present law from refundable credits to nonrefundable credits for which the taxpayer will not receive payment in excess of the tax liability for the taxable period.

Applicable to all income tax years beginning on and after January 1, 2015, and franchise tax years beginning on and after January 1, 2016.

Effective upon signature of the governor.

(Amends R.S. 47:297.6(A)(4), 6006(B), 6006.1(C) and (D), 6014(D) and (E)(2), 6015(B)(1) and (2) and (D), 6030(F), 6032(A) and (E), 6034(C)(1)(a)(ii)(dd), (D)(1), and (E)(1)(d)(iv) and 6035(E); repeals R.S. 47:6014(E)(4))