

2015 Regular Session

HOUSE BILL NO. 429

BY REPRESENTATIVE JACKSON

TAX CREDITS: Provides for the carryforward rather than the refund of the tax credit for ad valorem taxes paid on certain offshore vessels

1 AN ACT

2 To amend and reenact R.S. 47:6006.1(C) and (D), relative to income and corporation  
3 franchise tax credits; to provide with respect to the tax credit for ad valorem taxes  
4 paid on certain offshore vessels; to provide with respect to authorization for issuance  
5 of refunds for tax credits which exceed taxpayer tax liability; to provide for certain  
6 limitations; to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6006.1(C) and (D) are hereby amended and reenacted to read as  
9 follows:

10 §6006.1. Tax credits for taxes paid with respect to vessels in Outer Continental  
11 Shelf Lands Act Waters

12 \* \* \*

13 ~~C. Notwithstanding any other provision of law to the contrary in Title 47 of~~  
14 ~~the Louisiana Revised Statutes of 1950, as amended, any excess of allowable credit~~  
15 ~~established by this Section over the aggregate tax liabilities against which such credit~~  
16 ~~can be applied, as provided in this Section, shall constitute an overpayment, as~~  
17 ~~defined in R.S. 47:1621(A), and the secretary shall make a refund of such~~  
18 ~~overpayment from the current collections of the taxes imposed by Chapter 1 or~~

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

12 D.(1) For the purpose of allowing the credit ~~or refund~~ for ad valorem taxes  
 13 paid to political subdivisions as provided herein, the term "vessel" shall include  
 14 ships, oceangoing tugs, towboats, and barges. The term "Outer Continental Shelf  
 15 Lands Act Waters" as used herein shall have the meaning ascribed to it in R.S.  
 16 47:1702.

17 (2) The acceptance by the sheriff and ex officio tax collector of the ad  
 18 valorem taxes paid without protest by a taxpayer as certified under R.S. 47:1956(B)  
 19 shall conclusively establish: that such property was properly classified as a "vessel",  
 20 for purpose of this Section; that such vessel was "principally operated" in Outer  
 21 Continental Shelf Lands Act Waters during the applicable tax year; and that such  
 22 taxpayer shall be entitled to a credit ~~or refund~~ pursuant to this Section.

23 \* \* \*

24 Section 2. The provisions of this Act shall be applicable to tax years beginning on  
 25 or after January 1, 2015.

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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)]

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HB 429 Original

2015 Regular Session

Jackson

**Abstract:** Changes the tax credit for ad valorem taxes paid on vessels in Outer Continental Shelf Lands Act Waters from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law provides for a La. income or corporation franchise tax credit for ad valorem taxes paid without protest 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 the vessel. The amount of the credit shall be equal to 100% of the ad valorem taxes paid to political subdivisions.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. Further requires the Dept. of Revenue to refund the excess tax credit amount to the taxpayer from current tax collections and to pay or disallow claims for credits, refunds, and interest within ninety days of receiving a tax credit or refund claim.

Proposed law changes the tax credit from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent income or corporation franchise tax liability for up to five years. Proposed law removes references to refunds and interest from the requirement that the secretary pay tax credit amounts within one year of receipt of the tax credit claim.

Applicable to tax years beginning on or after Jan. 1, 2015.

(Amends R.S. 47:6006.1(C) and (D))