
DIGEST

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HB 729 Original

2015 Regular Session

Leger

Abstract: Phases out the tax credit for ad valorem taxes paid on inventory beginning with taxes paid in calendar year 2016 by reducing the amount of the credit by 20% per year over a five-year period until no credit is allowed.

Present law authorizes an income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and on certain natural gas. The amount of the credit is equal to 100% of taxes paid.

Proposed law reduces the amount of the allowable credit as follows:

- (1) 80% of the inventory taxes paid for calendar year 2016.
- (2) 60% of the inventory taxes paid for calendar year 2017.
- (3) 40% of the inventory taxes paid for calendar year 2018.
- (4) 20% of the inventory taxes paid for calendar year 2019.

Proposed law eliminates the inventory tax credit for taxes paid for calendar year 2020 and each calendar year thereafter.

Effective July 1, 2015, applicable for all tax years after such date.

(Amends R.S. 47:6006(D)(5); Adds R.S. 47:6006(D)(6)-(10))