2016 First Extraordinary Session

SENATE BILL NO. 12

BY SENATOR ALLAIN

TAX/TAXATION. Changes certain refundable tax credits to nonrefundable tax credits. (See Act)

1	AN ACT
2	To amend and reenact R.S. 47:6006(B), relative to tax credits; to eliminate the refundability
3	of the tax credit for local ad valorem taxes on inventory paid by certain taxpayers on
4	or after January 1, 2016; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 47:6006(B) is hereby amended and reenacted to read as follows:
7	§6006. Tax credits for local inventory taxes paid
8	* * *
9	B. Credit for taxes paid by corporations shall be applied to state corporate
10	income and corporation franchise taxes. Credit for taxes paid by unincorporated
11	persons shall be applied to state personal income taxes. ~~The secretary shall make a~~
12	~~refund to the taxpayer in the amount to which he is entitled from the current~~
13	~~collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of Subtitle II.~~
14	If the amount of the credit authorized pursuant to Subsection A of this Section
15	exceeds the amount of tax liability for the tax year, the following amounts of the
16	excess credit shall either be refundable or may be carried forward as a credit against
17	subsequent Louisiana income or corporation franchise tax liability for a period not

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1   to exceed five years, as follows:

2   (1) **For inventory taxes paid to political subdivisions before January 1,**

3   **2016:**

4   **(a)**   Eligible taxpayers whose ad valorem taxes paid to all political

5   subdivisions in the taxable year was less than ten thousand dollars shall be refunded

6   all of the excess credit.

7   ~~(2)~~**(b)**   Eligible taxpayers whose ad valorem taxes paid to all political

8   subdivisions in the taxable year was ten thousand dollars or more shall be refunded

9   seventy-five percent of the excess credit, and the remaining twenty-five percent of

10   the credit may be carried forward as a credit against subsequent tax liability for a

11   period not to exceed five years.

12   **(2) For inventory taxes paid to political subdivisions on or after January**

13   **1, 2016:**

14   **(a)**   **Eligible taxpayers whose ad valorem taxes paid to all political**

15   **subdivisions in the taxable year was less than ten thousand dollars shall be**

16   **refunded all of the excess credit.**

17   **(b)**   **Eligible taxpayers whose ad valorem taxes paid to all political**

18   **subdivisions in the taxable year was ten thousand dollars or more shall not be**

19   **refunded any of the excess credit, but any unused portion of the credit may be**

20   **carried forward as a credit against subsequent tax liability for a period not to**

21   **exceed five years.**

22   **(3) Any refund authorized under this Section shall be made from the**

23   **current collections of the taxes collected pursuant to Chapter 1 and Chapter 5**

24   **of Subtitle II.**

25   *   *   *

26   Section 2. The provisions of this Act shall apply to all taxable periods beginning on

27   or after January 1, 2016.

28   Section 3. This Act shall take effect and become operative on January 1, 2017, if and

29   when the proposed amendment of Article VII of the Constitution of Louisiana contained in

1   the Act which originated as Senate Bill No. _____ of this 2016 First Extraordinary

2   Session of the legislature is adopted at a statewide election and becomes effective.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Ben Huxen.

DIGEST
SB 12 Original   2016 First Extraordinary Session   Allain

Present law authorizes a partially refundable tax credit for taxpayers who pay $10,000 or
more in ad valorem taxes on inventory and allows any unused credits to be carried forward
as a credit against subsequent tax liability for a period not to exceed five years.

Proposed law retains the tax credit for ad valorem taxes paid on inventory on or after January
1, 2016, and the carryforward thereof, but eliminates the refundability for taxpayers who pay
$10,000 or more.

Effective on January 1, 2017, if and when the proposed amendment of Article VII of the
Constitution contained in the Act which originated as SB _____ of the 2016 1st ES
is adopted at a statewide election and becomes effective.

(Amends R.S. 47:6006(B))

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