

2016 First Extraordinary Session

HOUSE BILL NO. 92

BY REPRESENTATIVE BISHOP

TAX/TAXATION: Eliminates the refundability of the tax credit for ad valorem taxes paid on inventory by certain taxpayers (Item #26)

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;
4 to provide for applicability; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6006(B) is hereby amended and reenacted to read as follows:

8 §6006. Tax credits for local inventory taxes paid

9 * * *

10 B. Credit for taxes paid by corporations shall be applied to state corporate
11 income and corporation franchise taxes. Credit for taxes paid by unincorporated
12 persons shall be applied to state personal income taxes. ~~The secretary shall make~~
13 ~~a refund to the taxpayer in the amount to which he is entitled from the current~~
14 ~~collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of Subtitle II.~~
15 If the amount of the credit authorized pursuant to Subsection A of this Section
16 exceeds the amount of tax liability for the tax year, the following amounts of the
17 excess credit shall either be refundable or may be carried forward as a credit against
18 subsequent Louisiana income or corporation franchise tax liability for a period not
19 to exceed five years, as follows:

1 (1) For inventory taxes paid to political subdivisions before January 1, 2016:

2 (a) Eligible taxpayers whose ad valorem taxes paid to all political
3 subdivisions in the taxable year was less than ten thousand dollars shall be refunded
4 all of the excess credit.

5 ~~(2)~~(b) Eligible taxpayers whose ad valorem taxes paid to all political
6 subdivisions in the taxable year was ten thousand dollars or more shall be refunded
7 seventy-five percent of the excess credit, and the remaining twenty-five percent of
8 the credit may be carried forward as a credit against subsequent tax liability for a
9 period not to exceed five years.

10 (2) For inventory taxes paid to political subdivisions on or after January 1,
11 2016:

12 (a) Eligible taxpayers whose ad valorem taxes paid to all political
13 subdivisions in the taxable year was less than ten thousand dollars shall be refunded
14 all of the excess credit.

15 (b) Eligible taxpayers whose ad valorem taxes paid to all political
16 subdivisions in the taxable year was ten thousand dollars or more shall not be
17 refunded any of the excess credit, but any unused portion of the credit may be carried
18 forward as a credit against subsequent tax liability for a period not to exceed five
19 years.

20 (3) Any refund authorized under this Section shall be made from the current
21 collections of the taxes collected pursuant to Chapter 1 and Chapter 5 of Subtitle II
22 of this Title.

23 * * *

24 Section 2. The provisions of this Act shall apply to all taxable periods beginning on
25 or after January 1, 2017.

26 Section 3. This Act shall take effect on January 1, 2017, and become operative if and
27 when the proposed amendment of Article VII of the Constitution of Louisiana contained in
28 the Act which originated as House Bill No. ____ of this First Extraordinary Session of 2016
29 of the Legislature is adopted at a statewide election and becomes effective.

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)]

HB 92 Original

2016 First Extraordinary Session

Bishop

Abstract: Eliminates the refundability of the excess amount of the tax credit for ad valorem taxes paid on inventory for taxpayers who pay \$10,000 or more in ad valorem taxes.

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 Jan. 1, 2016, and the carryforward thereof, but eliminates the refundability for taxpayers who pay \$10,000 or more.

Applicable to all taxable periods beginning on or after Jan. 1, 2017.

Effective on January 1, 2017, if and when the proposed amendment of Article VII of the Constitution contained in the Act which originated as HB No. ___ of the 2016 1st E.S. is adopted at a statewide election and becomes effective.

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