
DIGEST

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HB 47 Engrossed

2016 First Extraordinary Session

James

Abstract: Beginning Jan. 1, 2016, reduces the amount of the credit for ad valorem taxes paid from 100% to 80% of ad valorem taxes paid.

Present law provides for income or corporation franchise tax credits for ad valorem taxes paid to political subdivisions on inventory held by manufacturers, distributors, and retailers and for ad valorem taxes paid to political subdivisions on natural gas held, used, or consumed in providing natural gas storage services or operating natural gas storage facilities.

Present law provides that if a taxpayer pays less than \$10,000 in ad valorem taxes to all political subdivisions, then any amount of the tax credit that exceeds the taxpayer's tax liability is 100% refundable to the taxpayer. Further provides that if a taxpayer pays \$10,000 or more in ad valorem taxes to all political subdivisions, then 75% of the amount of the credit that exceeds the taxpayer's tax liability is refundable to the taxpayer and the remaining 25% of the credit may be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

Proposed law changes present law for inventory taxes paid to all political subdivisions beginning Jan. 1, 2016, by reducing the amount of the credit from 100% of the inventory taxes paid to 80% but maintains the refundability of the excess amount of tax credit for taxpayers whose tax liability is less than the amount of the credit.

Proposed law prohibits the allowance of any credit provided for in present law on a return filed before July 1, 2016.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6006(A), (B), and (D))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete provisions relative to ad valorem taxes paid to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters and ad valorem taxes paid to political subdivisions by a telephone company on the company's public service properties.
2. Delete provisions that disallowed refundability in favor of carrying forward the excess

amount of credit for taxpayers whose tax liability is less than the amount of the credit for inventory taxes paid prior to Jan. 1, 2016.

3. Prohibit the allowance of any credit provided for in present law on a return filed before July 1, 2016.