

2016 First Extraordinary Session

SENATE BILL NO. 6

BY SENATOR MORRELL

TAX/AD VALOREM. Provides for the reduction of the amount of certain ad valorem tax credits and provides for the carryforward rather than the refund of a certain portion of excess credit amounts. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6006(A), (B), and (D), relative to income and corporation
3 franchise tax credits; to provide with respect to tax credits for ad valorem taxes paid
4 to political subdivisions on certain property; to reduce the amount of the tax credits;
5 to provide with respect to the issuance of refunds for tax credits which exceed
6 taxpayer liability; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6006(A), (B), and (D) are hereby amended and reenacted to read
9 as follows:

10 §6006. Tax credits for local inventory taxes paid

11 A.(1) There shall be allowed a credit against any Louisiana income or
12 corporation franchise tax for ad valorem taxes paid to political subdivisions on
13 inventory held by manufacturers, distributors, and retailers. **The amount of the**
14 **credit is provided for in Subsection D of this Section.**

15 (2) There shall be allowed a credit against any Louisiana income or
16 corporation franchise tax for ad valorem taxes paid to political subdivisions on
17 natural gas held, used, or consumed in providing natural gas storage services or

1 operating natural gas storage facilities. **The amount of the credit is provided for**
 2 **in Subsection D of this Section.**

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

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

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

21 * * *

22 D. The **amount of the** credit provided in this Section shall be allowed as
 23 follows:

24 (1) ~~For inventory taxes paid to political subdivisions on or after July 1, 1992,~~
 25 ~~and before June 30, 1993, the credit shall be twenty percent of such taxes paid. **For**~~
 26 **inventory taxes paid prior to January 1, 2016, the amount of the credit shall be**
 27 **one hundred percent of the taxes paid; however, no amount of the tax credit**
 28 **provided for in this Section which exceeds the tax liability of the taxpayer shall**
 29 **be refundable. One-fourth of the excess credit amount may be carried forward**

1 as a credit against subsequent Louisiana income or corporation franchise tax
2 liability in each of the next four taxable years.

3 (2) For inventory taxes paid to political subdivisions on or after July 1, 1993,
4 and before June 30, 1994, the credit shall be forty percent of such taxes paid. For
5 inventory taxes paid on and after January 1, 2016, the amount of the credit
6 authorized pursuant to this Section shall be equal to eighty percent of the
7 inventory taxes paid to political subdivisions.

8 (a) If the amount of the taxes paid to all political subdivisions is less than
9 ten thousand dollars in any one year and the amount of the credit authorized
10 pursuant to this Section exceeds the tax liability of the taxpayer for that year,
11 the excess credit amount shall constitute an overpayment, as defined in R.S.
12 47:1621(A), and the secretary of the Department of Revenue shall make a
13 refund of such overpayment to the taxpayer from the current collections of the
14 taxes collected pursuant to Chapter 1 and Chapter 5 of Subtitle II of this Title.

15 (b) If the amount of the taxes paid to all political subdivisions is ten
16 thousand dollars or more in any one year and the amount of the credit
17 authorized pursuant to this Section exceeds the tax liability of the taxpayer for
18 that year, seventy-five percent of the excess credit amount shall constitute an
19 overpayment, as defined in R.S. 47:1621(A), and the secretary of the
20 Department of Revenue shall make a refund of such overpayment to the
21 taxpayer from the current collections of the taxes collected pursuant to Chapter
22 1 and Chapter 5 of Subtitle II of this Title and the remaining twenty-five
23 percent of the excess credit amount may be carried forward as a credit against
24 subsequent Louisiana income or corporation franchise tax liability for a period
25 not to exceed five years.

26 (3) For inventory taxes paid to political subdivisions on or after July 1, 1994,
27 and before June 30, 1995, the credit shall be sixty percent of such taxes paid.

28 (4) For inventory taxes paid to political subdivisions on or after July 1, 1995,
29 and before June 30, 1996, the credit shall be eighty percent of such taxes paid.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes changes to the tax credit for ad valorem taxes paid to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters.
2. Removes changes to the tax credit for ad valorem taxes paid to political subdivisions by telephone companies with respect to their public service properties.