

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 15

2016 First Extraordinary Session

Morrell

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

TAX/TAXATION. Provides for applicability of refundable tax credits. (Item #26)(gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Stipulates that to claim a credit as reflected in the Tax Credit Registry it must be done on or before the date of the return inclusive of any extension.
2. Provides for claiming tax credits for local inventory taxes paid.
3. Adds provisions for the transferability of research and development tax credits.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by McHenry Lee.

DIGEST

SB 15 Reengrossed

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Present law provides for the ordering of nonrefundable tax credits, refundable tax credits, and payments.

Proposed law retains present law.

Present law provides that refundable credits shall be applied after all nonrefundable credits.

Proposed law changes the ordering of the application of tax credits and requires these refundable credits be applied before all other credits and payments of tax except for nonrefundable credits with no carry forward which will be applied first and then refundable credits other than those for local inventory taxes paid. Provides a different priority for refundable tax credits for local inventory taxes paid.

Proposed law requires that refundable credits, other than credits for local inventory taxes paid, that can be applied against both income and corporate franchise tax, be applied to income tax first.

Present law provides certain requirements on transferable income or corporation franchise tax credits.

Proposed law retains present law but adds the following additional requirements:

- (1) A tax credit cannot be claimed on a tax return or utilized as a payment prior to the effective date of transfer as reflected in the Tax Credit Registry, between the transferor and transferee.
- (2) To claim a credit on a tax return, the effective date of transfer, as reflected in the Tax Credit Registry must be on or before the due date of the return, inclusive of any extension.

- (3) A tax credit with an effective date of transfer, as reflected in the Tax Credit Registry after the due date of the return, inclusive of any extension, may be utilized as a payment.
- (4) A credit acquired through transfer can be applied to any allowable tax liability that is due for the year the credit was originally earned or to any year due afterward until the applicable carryforward period is over.

Proposed law provides for the transferability of research and development tax credits.

Applicable to taxable periods beginning on or after January 1, 2016.

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

(Amends R.S. 47:1675(B), 6015(B)(1) and (2) and D; adds R.S. 47:1675(H)(1)(d), (e), (f), and (g))

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