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

DIGEST

SB 2 Original

2016 First Extraordinary Session

Morrell

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

Proposed law eliminates the credit for all taxes paid before January 1, 2016, but retains the credit for taxes paid on or after January 1, 2016.

Present law authorizes an income and corporation franchise tax credit of 100% of the taxes paid to political subdivisions.

Proposed law changes the amount of the credit to 80% of the taxes paid to political subdivisions.

Present law authorizes the refundability of credits in excess of the income and franchise tax liability for taxpayers whose tax liability for ad valorem taxes paid to political subdivisions is \$10,000 or less. For taxpayers that paid more than \$10,000 in inventory tax, 75% of the credit that exceeds the income and franchise tax liability is refundable and the remaining 25% of the excess credit may be carried forward against subsequent income or corporation franchise tax liability for up to five years.

Proposed law retains present law.

Present law provides for an income or corporation franchise tax credit for ad valorem taxes paid without protest to political subdivisions on vessels in Outer Continental Shelf Lands Act Waters (OCS).

Proposed law eliminates the credit for all taxes paid before January 1, 2016, but retains the credit for taxes paid on or after January 1, 2016.

Present law authorizes an income and corporation franchise tax credit of 100% of the taxes paid on vessels in OCS to political subdivisions.

Proposed law changes the amount of the credit to 80% of the taxes paid to political subdivisions.

Present law provides for a refundable income or corporation franchise tax credit for ad valorem taxes paid to political subdivisions by telephone companies with respect to their public service properties that are assessed by the La. Tax Commission at 25%.

Proposed law eliminates the credit for all ad valorem taxes paid before January 1, 2016, but retains

the ad valorem credit for taxes paid on or after January 1, 2016.

Present law authorizes an income and corporation franchise tax credit of 40% of the ad valorem taxes paid by telephone companies to political subdivisions.

Proposed law changes the amount of the credit to 32% of the ad valorem taxes paid to political subdivisions.

Present law requires the dedication of sales and use taxes imposed pursuant to R.S. 47:302, 321, and 331 attributable to the furnishing of interstate and international telecommunication services to the Telephone Company Property Assessment Relief Fund (the Fund).

Proposed law repeals this statutory dedication of such sales taxes.

Present law requires that refunds of the credit for ad valorem taxes by telephone companies be paid from the Fund.

Proposed law eliminates this requirement and authorizes the Department of Revenue to issue refunds of this credit from current collections of state sales and use tax.

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

(Amends R.S. 47:6006(A), (B), and (D), 6006.1(A) and (E), and 6014(A); repeals R.S. 47:6006.1(C) and 6014(D) and (E))