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

DIGEST

SB 6 Engrossed

2016 Second Extraordinary Session

Morrell

Present law provides for a tax credit against income and corporation franchise tax for 100% of the ad valorem tax paid to political subdivisions on certain inventory.

Present law provides for full refundability of ad valorem taxes paid, for taxpayers whose total payments of ad valorem tax eligible for the credit is less than \$10,000.

Proposed law retains these provisions but increases the amount to be refunded from less than \$10,000 to less than \$500,000

Present law authorizes refundability for 75% of the tax credit for ad valorem tax paid on inventory for taxpayers whose total payments of ad valorem tax eligible for the credit is \$10,000 or more and provides for a nonrefundable credit for the remaining 25% of the credit that is in excess of the taxpayer's tax liability.

Proposed law provides that if the ad valorem tax paid is more than \$500,000 but less than or equal to \$1,000,000, then the taxpayer is to be refunded 75% of the excess credit and the remaining 25% may be carried forward as a credit against subsequent tax liability for a five-year carry forward.

Proposed law provides that for those taxpayers whose total payments of ad valorem tax eligible for the credit is \$1,000,000 or more, then the taxpayer is to be refunded 100% of the first \$500,000 of excess credit and 75% of the next \$500,000 of excess credit, and the remaining amount of the credit shall be carried forward as a credit against subsequent tax liability for a five-year carry forward.

Applicable to all tax returns and refund claims filed on or after July 1, 2016.

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

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

Summary of Amendments Adopted by Senate

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

1. Changes total payments of ad valorem taxes necessary for full refundability of ad valorem taxes paid.

2. Changes total payments of ad valorem taxes necessary for 75% refundability of ad valorem taxes paid.
3. Provides for a refund of the first \$500,000 and 75% of the next \$500,000 for tax payers who pay more than \$1,000,000 in ad valorem taxes and provides a carry forward of any excess for not more than five years.