

2015 Regular Session

HOUSE BILL NO. 806

BY REPRESENTATIVE ADAMS

TAX CREDITS: Provides for the carry forward rather than the refund of the tax credit for the rehabilitation of residential structures

1 AN ACT

2 To amend and reenact R.S. 47:297.6(A)(4), relative to income tax credits; to provide relative  
3 to the tax credit for the rehabilitation of residential structures; to provide with respect  
4 to the authorization for issuance of refunds for tax credits which exceed taxpayer tax  
5 liability; to provide for certain limitations; to provide for effectiveness; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297.6(A)(4) is hereby amended and reenacted to read as follows:

9 §297.6. Reduction to tax due; rehabilitation of residential structures

10 A.

11 \* \* \*

12 (4) ~~Any excess of the credit portion allowed in a taxable period over the~~  
13 ~~individual income tax liability for that taxable period against which the credit can be~~  
14 ~~applied shall constitute an overpayment, as defined in R.S. 47:1621(A), and the~~  
15 ~~secretary shall make a refund of such overpayment from the current collections of~~  
16 ~~the taxes imposed by Chapter 1 of Subtitle II of this Title, as amended. The right to~~  
17 ~~a refund of any such overpayment shall not be subject to the requirements of R.S.~~  
18 ~~47:1621(B).~~ If the amount of the credit exceeds the amount of tax liability for the  
19 tax year, then any unused credit may be carried forward as a credit against  
20 subsequent individual income tax liability for a period not to exceed five years.

21 \* \* \*

1           Section 2. The provisions of this Act shall be applicable to tax years beginning on  
2 or after January 1, 2015.

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## DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 806 Original

2015 Regular Session

Adams

**Abstract:** Changes the tax credit for the rehabilitation of residential structures from a refundable credit to a credit in which amounts of the credit above the tax liability may be carried forward and applied against subsequent tax liability for up to five years.

Present law provides for an individual income tax credit for eligible costs and expenses incurred during the rehabilitation of owner-occupied residential or owner-occupied mixed use structures located in certain districts, owner-occupied residential structures listed in or eligible to be listed on the National Register or which has been certified by the State Historic Preservation Office as contributing to the historical significance of the district, or a vacant and blighted owner-occupied residential structure that is at least 50 years old. Only one credit may be claimed per rehabilitated structure and the total amount of the credit shall not exceed \$25,000. In order to qualify for the credit, the rehabilitation costs must exceed \$10,000.

Present law provides that the taxpayer is entitled to a refund for any allowable credit which exceeds the aggregate tax liability of the taxpayer. The department is required to pay the refund from current tax collections.

Proposed law changes the tax credit from a refundable credit to one in which credit amounts which exceed taxpayer liability may be carried forward against subsequent individual income tax liability for up to five years.

(Amends R.S. 47:299.6(A)(4))