

SENATE BILL NO. 15

BY SENATOR MORRELL AND REPRESENTATIVE STOKES

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AN ACT

To amend and reenact R.S. 47:1675(B) and to enact R.S. 47:1675(H)(1)(d), (e), (f), and (g), relative to refundable tax credits; to provide for the ordering of tax credits and payments; to provide for certain limitations; to provide relative to utilization of transferable tax credits in the Tax Credit Registry; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:1675(B) is hereby amended and reenacted and R.S. 47:1675(H)(1)(d), (e), (f), and (g) are hereby enacted to read as follows:

§1675. General administrative provisions for credits against income and corporation franchise tax

* * *

B. Priority of credits. ~~Unless otherwise provided in the statute granting the credit, the~~ **The** department ~~will~~ **shall** apply credits against income and corporation franchise tax. **The provisions of this Subsection shall supersede and control to the extent of conflict with any other provision of law. Credits and payments shall be applied** in the following order:

- (1) Current year nonrefundable credits with no carry forward.
- (2) **Refundable tax credits. Refundable credits, other than the credit provided for in R.S. 47:6006, that are allowable against both income and corporation franchise tax shall be applied first against income tax. Any credit in excess of the income tax liability shall then be applied against corporation franchise tax.**
- (3) Any carry forward amount from a tax credit earned, granted, or received

1 in a prior year, in the order of the length of the carry forward period remaining,
2 beginning with the shortest carry forward period.

3 ~~(3)~~**(4)** Current year nonrefundable credits with a carry forward, in the order
4 of the length of the carry forward period, beginning with the credit with the shortest
5 carry forward period.

6 ~~(4)~~**(5)** Tax credits that are transferable, but that are not refundable that the
7 taxpayer elects to apply against the tax.

8 ~~(5)~~**(6)** Refundable tax credits **provided for in R.S. 47:6006.**

9 ~~(6)~~**(7)** Estimated payments, the credit for withholding, and other payments
10 of tax.

11 * * *

12 H. Transferable income or corporation franchise tax credits.

13 (1) Unless otherwise provided in the statute granting the credit:

14 * * *

15 **(d) A tax credit cannot be claimed on a tax return or utilized as a**
16 **payment prior to the effective date of transfer, as reflected in the Tax Credit**
17 **Registry pursuant to R.S. 47:1524, between the transferor and transferee.**

18 **(e) To claim a credit on a tax return, the effective date of transfer, as**
19 **reflected in the Tax Credit Registry pursuant to R.S. 47:1524, must be on or**
20 **before the due date of the return, without regard to the granting of any**
21 **extension.**

22 **(f) A tax credit with an effective date of transfer, as reflected in the Tax**
23 **Credit Registry pursuant to R.S. 47:1524, after the due date of the return,**
24 **without regard to the granting of any extension, may be utilized as a payment.**

25 **(g) A credit acquired through transfer can be applied to any allowable**
26 **tax liability that is due for the year the credit was originally earned or to any**
27 **year due afterward until the applicable carryforward period is over.**

28 * * *

29 Section 2. The provisions of this Act shall apply to all taxable periods beginning on
30 or after January 1, 2016.

1 Section 3. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____