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

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DIGEST

SB 2 Engrossed

2016 Second Extraordinary Session

Morrell

Present law provides for the payment of interest on refunds of tax overpayments at the judicial rate of interest.

Present law provides that refund interest begins to accrue immediately on the later of the filing date of the return or due date of the return for all taxes other than individual income tax.

Present law provides that individual income tax refund interest does not begin to accrue until 90 days after the later of the filing date of the return or due date of the return.

Present law provides a reduced interest rate for the first 180 days after receipt of the refund claim for refunds of overpayments of severance tax to an operator whose well qualifies for the severance tax suspension for new horizontal or deep wells.

Proposed law changes the refund interest accrual date to 90 days after the later of the filing date of the return or due date of the return for all taxes, but retains the 180 day reduced interest rate for severance tax refunds associated with new horizontal or deep wells.

Present law allows netting of corporate income and corporate franchise tax for purposes of interest calculation.

Proposed law retains present law and consolidates tax refund interest provisions into one section of law.

Effective July 1, 2016.

(Amends R.S. 47:115(A)(3) and (C) and 1624; repeals R.S. 47:287.657, 617, and 1624.1)