SLS 15RS-426 ORIGINAL

2015 Regular Session

SENATE BILL NO. 277

BY SENATOR CROWE

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TAX/TAXATION. Limits claims for credit against individual income tax, corporate income tax, or corporate franchise tax on tax returns filed for a calendar year to 15% of the general fund revenues for the fiscal year. (7/1/15)

AN ACT

2	To enact Subpart I of Part II of Chapter 1 of Subtitle II of Title 47 of the Louisiana Revised
3	Statutes of 1950, to be comprised of R.S. 47:286.1, relative to tax credits; to limit
4	claims for certain refunds filed on certain tax returns; to give a priority to certain tax
5	credit claims; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. Subpart I of Part II of Chapter 1 of Subtitle II of Title 47 of the Louisiana
8	Revised Statutes of 1950, comprised of R.S. 47:286.1, is hereby enacted to read as follows:
9	SUBPART I. ANNUAL LIMIT ON TAX CREDIT CLAIMS
10	§286.1. Annual limit on tax credit claims
11	A. The terms used in this Section shall have the following meanings:
12	(1) "Department" means the Department of Revenue.
13	(2) "Tax credit" means any claim for a tax credit against individual
14	income tax, corporate income tax, or corporate franchise tax.
15	(3) "Tax credit claims" means all claims for a tax credit received by the
13	(0)
	Department of Revenue on tax returns filed for tax years beginning during a
16 17	

1	(4) Tax election militaris the amount of tax electic claims received by
2	the Department of Revenue on tax returns filed for tax years beginning during
3	a particular calendar year after which the department is required to deny
4	further tax credit claims.
5	B. By August first of each calendar year beginning August 1, 2015, the
6	commissioner of administration shall provide written notification to the
7	secretary of the Department of Revenue of his calculation of the amount of
8	dollars which equals fifteen percent of the general fund revenues for the fiscal
9	year which begins in July of that calendar year. The amount calculated on that
10	date shall be the tax credit limit for tax credit claims received by the
11	department on tax returns filed for tax years beginning during that calendar
12	year.
13	C. For each calendar year, beginning with calendar year 2015, the
14	secretary of the Department of Revenue shall establish a system for daily
15	monitoring of all tax credit claims received by the department for tax years
16	beginning during that calendar year. Notwithstanding any other provision of
17	law to the contrary, all tax credit claims shall be denied on such tax returns
18	received by the department beginning the day after the secretary determines
19	from the daily monitoring system that tax credit claims have exceeded the tax
20	credit limit for that calendar year.
21	D. The department shall provide written notification to any taxpayer
22	whose tax credit claim is denied pursuant to this Section. Notwithstanding any
23	other provision of law to the contrary, any taxpayer whose tax credit claim is
24	denied may use the tax credit claim on a return filed for any subsequent tax
25	year, and his tax credit claim shall have priority over other tax credit claims
26	filed on returns for tax years beginning in the same calendar year.
27	Section 2. This Act shall become effective on July 1, 2015; if vetoed by the governor
28	and subsequently approved by the legislature, this Act shall become effective on July 1,
29	2015, or on the day following such approval by the legislature, whichever is later.

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

DIGEST 2015 Regular Session

Crowe

<u>Proposed law</u> requires the commissioner of administration on August first of each calendar year (beginning August 1, 2015) to provide written notification to the secretary of the Department of Revenue of his calculation of the amount of dollars which equals 15% of the general fund revenues for the fiscal year which begins in July of that calendar year. The amount calculated on that date is the "tax credit limit" for "tax credit claims" received by the department on tax returns filed for tax years beginning during that calendar year.

"Tax credit" is defined as any claim for a tax credit against individual income tax, corporate income tax, or corporate franchise tax.

"Tax credit claims" means all claims for a tax credit received by the LDR on tax returns filed for tax years beginning during a particular calendar year.

<u>Proposed law</u> requires the secretary of LDR (beginning for calendar year 2015) to establish a system for daily monitoring of all "tax credit claims" received by the department for tax years beginning during that calendar year. Requires all "tax credit claims" to be denied by the department beginning the day after the secretary determines from the daily monitoring system that "tax credit claims" have exceeded the "tax credit limit" for that calendar year.

<u>Proposed law</u> requires LDR to provide written notification to any taxpayer whose "tax credit claim" is denied and the taxpayer may use that "tax credit claim" on a return filed for any subsequent tax year, and his "tax credit claim" must have priority over other "tax credit claims" filed on returns for tax years beginning in the same calendar year.

Effective July 1, 2015.

SB 277 Original

(Adds R.S. 47:286.1)