

**Revenue Information Bulletin No. 17-008**

**March 6, 2017**

**Income & Corporation Franchise Tax**

**R.S. 47:1675 - Claiming a Transferable Tax Credit on a Tax Return**

Act 661 of the 2016 Regular Session of the Louisiana Legislature amended R.S. 47:1675 as it relates to the general provisions for credits against income and corporation franchise tax. Specifically, R.S. 47:1675(H)(1)(e) now provides that a taxpayer may only claim a tax credit on a tax return by performing one of two actions on or before the due date of the return, without regard to the granting of any extension:

1. Purchase tax credits with an effective date of transfer on or before the due date of the return without regard to the granting of any extension; or
2. Execute Form R-6111, which evidences a binding agreement to transfer a tax credit, on or before the due date of the return, without regard to the granting of any extension.

When executing Form R-6111, there is no requirement that the specific project from which the credits which are the subject of the binding agreement be identified or certified at the time of execution of the binding agreement. Further, there is no requirement that the specific type of transferable credit or the exact amount of credits to be transferred be identified at the time of execution of the binding agreement. However, failure to subsequently transfer credits which are certified from the named transferor to the named transferee in accordance with the terms of the binding agreement will result in the assessment of penalties and interest from the due date of the return, without regard to the granting of any extension.

Failure to perform either of the above-referenced actions on or before the due date of the return, without regard to the granting of any extension, will result in the credit being disallowed as a claim on the return. In such instance, the credit may still be used as a payment of any allowable tax, penalties and interest which has accrued from the due date of the return, without regard to the granting of any extension.

The provisions of Act 661 are applicable to income tax periods beginning January 1, 2016 and corporation franchise tax periods beginning January 1, 2017 and apply unless otherwise provided by the statute granting the credit.

For questions concerning a taxpayer's return, please contact the Customer Contact Center at (855) 307-3893.

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Secretary