AN ACT

To amend and reenact R.S. 47:201.2(C)(3)(b)(iv) and (v), relative to state partnership audit adjustments; to provide for the calculation methodology for distributive shares reported to tiered partners; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:201.2(C)(3)(b)(iv) and (v) are hereby amended and reenacted to read as follows:

§201.2. Reporting adjustments to federal taxable income and federal partnership audit adjustments

C. (3) Partnership election to pay on behalf of partners. Subject to the limitations in Subparagraph (c) of this Paragraph, an audited partnership making an election under this Paragraph shall:

(b) No later than one hundred eighty days after the final determination date, pay an amount, determined as follows, in lieu of taxes owed by its direct and indirect
partners:

*  *  *

(iv) For the total distributive shares of the remaining final federal adjustments reported to tiered partners:

(aa) Determine the amount of the adjustments which is of a type that it would be subject to sourcing to the state under Subpart F of this Part and then determine the portion of this amount that would be sourced to the state applying the provisions of this Section.

(bb) Determine the amount of the adjustments which is of a type that it would not be subject to sourcing to Louisiana by a nonresident partner under R.S. 47:290(B).

(cc) Determine the portion of the amount determined in Subclause (b) Subitem (bb) of this Item that can be established, under regulation issued by the secretary, to be properly allocable to nonresident indirect partners or other partners not subject to tax on the adjustments; or that can be excluded under procedures for modified reporting and payment method allowed under Paragraph (5) of this Subsection.

(v) Multiply the total of the amounts determined in Subparagraphs (a) and (b) Subitem (iv)(aa) and (bb) of this Subparagraph reduced by the amount determined in Subparagraph (c) of this Paragraph Subitem (iv)(cc) of this Subparagraph by the highest tax rate under R.S. 47:32 for individuals and R.S. 47:300.1 for trusts and estates.

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The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Tyler McCloud.

DIGEST

SB 28 Reengrossed 2022 Regular Session Allain

Present law conforms state partnership reporting adjustments to federal taxable income to current federal partnership audit adjustments.

Present law provides for the calculation of total distributive shares of federal adjustments
Proposed law retains present law and makes technical corrections to internal present law references regarding the calculation of total distributive shares of federal adjustments reported to tiered partners.

Effective August 1, 2022.

(Amends R.S. 47:201.2(C)(3)(b)(iv) and (v))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill