

2026 Regular Session

HOUSE BILL NO. 633

BY REPRESENTATIVE BACALA

TAX RETURN: Modifies statutory timelines, penalty calculations, and exceptions for penalties for the payment of certain estimated taxes

1 AN ACT

2 To amend and reenact R.S. 47:118(C)(1), (D)(introductory paragraph), (1)(introductory
3 paragraph) and (b), and (2), 287.655(C)(1), (D)(2) and (3), and (G)(introductory
4 paragraph) and (1), and 287.656(A)(1) and (2)(introductory paragraph) and to repeal
5 R.S. 47:118(D)(1)(c), relative to estimated income tax; to calculate the period of
6 underpayment; to assess penalties for an excessive adjustment; to modify
7 requirements to apply for an adjustment for overpayment; to repeal certain
8 calculations for exemptions from a penalty for an underpayment; to provide for
9 applicability; to provide an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:118(C)(1), (D)(introductory paragraph), (1)(introductory
12 paragraph) and (b), and (2), 287.655(C)(1), (D)(2) and (3), and (G)(introductory paragraph)
13 and (1), and 287.656(A)(1) and (2)(introductory paragraph) are hereby amended and
14 reenacted to read as follows:

15 §118. Failure by individual to pay estimated income tax; penalty

16 * * *

17 C. Period of underpayment. The period of the underpayment shall run from
18 the date the installment was required to be paid to whichever of the following dates
19 is earlier:

20 (1) The ~~15th~~ fifteenth day of the ~~fourth~~ fifth month following the close of the
21 taxable year;

22 * * *

1 Section 4. 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.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 633 Reengrossed

2026 Regular Session

Bacala

Abstract: Changes filing deadlines for estimated taxes from the 15th day of the fourth month to the 15th day of the *fifth* month and repeals certain calculations exempting taxpayers from the penalty imposed for failure to pay or underpay estimated tax.

Present law applies a 12% per year penalty on the amount of underpaid estimated taxes in addition to the tax owed by an individual or corporation for the period of the underpayment. Further provides that the period of the underpayment commences on the date the installment is required to be paid to the earlier of either the 15th day of the fourth month following the close of the taxable year or the date on which any portion of the underpayment is paid.

Present law imposes a penalty on corporate income filers if the amount of an adjustment made on or before the 15th day of the fourth month following the close of the taxable year is excessive.

Present law authorizes a corporation to file an application for an adjustment of an overpayment of estimated tax after the close of the taxable year and on or before the 15th day of the fourth month thereafter, but before the day on which a return is filed for that taxable year.

Proposed law retains present law, but changes the filing deadlines from the 15th day of the fourth month to the 15th day of the *fifth* month.

Present law exempts an individual taxpayer from the penalty imposed for underpayment of estimated individual income tax if the individual taxpayer is not required to file an estimated tax declaration or if the total amount of payments of estimated tax equals or exceeds one of several calculations, including but not limited to an amount equal to the tax computed in accordance with the rates, the tax computed on the basis of rates and the taxpayer's filing status, or 90% of the tax computed on an annualized basis.

Proposed law changes references in present law with respect to the calculations for qualifying for the exemption from the penalty for underpayment of income taxes to a single income tax rate and the standard deduction.

Proposed law repeals the present law calculation based on the annualized basis computation.

Present law exempts corporate filers from the penalty imposed for underpayment of estimated corporation tax if the total amount of payments of estimated tax equals or exceeds one of several calculations, including but not limited to 80% of the tax, computed by placing taxable income on an annualized basis.

Proposed law repeals the present law calculation based on the annualized basis computation and changes present law with respect to the exemption from the penalty for underpayment of taxes if at least 80% of the tax owed for income earned in each installment period is paid on time by the taxpayer.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S.47:118(C)(1), (D)(intro. para.), (1)(intro. para.) and (b), and (2), 287.655(C)(1), (D)(2) and (3), and (G)(intro. para.) and (1), and 287.656(A)(1) and (2)(intro. para.); Repeals R.S. 47:118(D)(1)(c))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Update statutory language in present law relative to the exemption from the penalty for underpayment of taxes by changing references in present law with respect to the calculation of the taxes owed to the standard deduction and to a single income tax rate.
2. Make technical changes.

The House Floor Amendments to the engrossed bill:

1. Provide with respect to the computation of amounts necessary to qualify for the exemption from the penalty for underpayment of taxes, that a taxpayer qualifies for the exemption if the estimated tax equals or exceeds 80% of the tax owed for income earned in each installment period and the installment payment is made on time.
2. Make technical changes.