
DIGEST

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HB 34 Original

2016 Second Extraordinary Session

Jackson

Abstract: Reduces the amount of certain corporate income tax deductions and exclusions through July 1, 2018.

Present law (R.S. 47:51) excludes from corporation gross income any funds received by a corporation from a governmental entity to subsidize the operation and maintenance of a public transportation system.

Present law provides an exclusion for 72% of the funds received.

Proposed law reduces the exclusion from 72% of the funds received to 50% of the funds received by a corporation.

Proposed law, effective July 1, 2018, provides for an exclusion of 100% of the funds received.

Present law (R.S. 47:158 and R.S. 47:287.745) provides an additional deduction in determining net income for oil and gas depletion.

Present law provides a deduction equal to 15.8% of gross income from the property, excluding 72% of any rents or royalties paid or incurred by the taxpayer due to the property. The deduction is further limited to 36% of the net income from the property calculated without the deduction for depletion.

Proposed law reduces the deduction from 15.8% of the gross income from the property during the taxable year, excluding 72% of any rents or royalties, to 11% of the gross income from the property during the taxable year, excluding 50% of rents or royalties. Further reduces allowable deduction from an amount not to exceed 36% of the net income of the taxpayer to an amount not to exceed 25% of the net income.

Proposed law, effective July 1, 2018, provides for a deduction of 22% of the gross income from the property during the taxable year, excluding 100% of any rents or royalties. Further limits the allowable deduction to an amount not to exceed 50% of the net income of the taxpayer.

Present law (R.S. 47:246) provides a deduction for net operating loss of a corporation.

Present law provides that the amount of the deduction is equal to 72% of the amount of the net operating loss.

Proposed law reduces the amount of the deduction from 72% of the amount of the net operating loss to 50% of the net operating loss.

Proposed law, effective July 1, 2018, provides for a deduction of 100% of the net operating loss.

Present law (R.S. 47:287.71) excludes from corporate gross income funds received from a governmental entity to subsidize the operation and maintenance of a public transportation system and the refunds of Louisiana corporation income tax received during the taxable year.

Present law provides an exclusion for 72% of the funds and refunds received.

Proposed law reduces the exclusion from 72% of the funds and refunds received to 50% of the funds received by a corporation.

Proposed law, effective July 1, 2018, provides for an exclusion of 100% of the funds received by a corporation.

Present law (R.S. 47:287.73) provides for a deduction from corporate income tax expenses disallowed under I.R.C. Section 280C. Further requires a taxpayer who elects to claim certain credits that are based on an expense to reduce the federal deduction for the expense by the dollar amount of the credit claimed.

Present law provides a deduction for 72% of the disallowed expenses.

Proposed law reduces the amount of the deduction from 72% of the disallowed expenses to 50% of the disallowed expenses.

Proposed law, effective July 1, 2018, provides for a deduction of 100% of the disallowed expenses.

Present law (R.S. 47:287.86) provides a deduction from corporate income for the amount of the net operating loss incurred in La.

Present law provides a deduction for 72% of the net operating loss.

Proposed law reduces the amount of the deduction from 72% of the amount of the net operating loss to 50% of the net operating loss.

Proposed law, effective July 1, 2018, provides for a deduction of 72% of the net operating loss.

Present law (R.S. 47:287.738) authorizes a deduction from gross income of an amount equal to interest and dividend income included on the federal income tax return.

Present law provides for a deduction of 72% of the amount of interest and dividend income.

Proposed law reduces the amount of the deduction from 72% to 50%.

Proposed law, effective July 1, 2018, provides for a deduction of 100% of the amount of interest and dividend income.

Present law (R.S. 51:3092) exempts from corporation income and franchise taxes certain La. Community Development Financial Institutions.

Present law provides an exemption for four consecutive taxable periods, commencing with the taxable period in which the capital company is certified by the commissioner.

Proposed law reduces the exemption from four consecutive taxable periods to three consecutive taxable periods.

Proposed law, effective July 1, 2018, provides for an exemption for five consecutive taxable periods.

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

(Amends R.S. 47:51, 158(C) and (D), 246(A), 287.71(B)(2) and (3), 287.73(C)(4), 287.86(A), 287.738(F) and (G), and 287.745(B), and R.S. 51:3092)