
DIGEST

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HB 22 Original

2018 Second Extraordinary Session

Johnson

Abstract: Authorizes the deletion of any depreciation of property and expensing of property in excess of \$25,000 as authorized by present federal law from the calculation of net state income.

Present law authorizes the deletion of certain deductions from federal gross income allowed by present federal law from the state calculation of net income for items such as net operating losses, income taxes, certain dividends, and depletion for oil and gas wells.

Proposed law retains present law but adds to the list of deletions any depreciation of property and expensing of property authorized by present federal law in excess of \$25,000 from the calculation of net state income.

Present law defines "tax table income", for resident individuals, as adjusted gross income plus interest on obligations of a state or political subdivision, other than La., title to which vested with the resident individual less items such as gratuitous grants and loans, federal income tax liability, excess federal itemized personal deductions, and various other deductions.

Present law defines "tax table income", for nonresident individuals, as the amount of La. income allocated and apportioned under present law plus personal exemptions and deductions less the proportionate amount of the federal income tax liability, excess federal itemized personal deductions, and various other deductions.

Proposed law retains present law as it pertains to the tax table income of both resident and nonresident individuals but adds any depreciation of property and expensing of property allowed by present federal law in excess of \$25,000 to the calculation of La. tax table income for these filers.

Present law defines "Louisiana taxable income" for resident and nonresident estates and trusts. Present law authorizes the modification of federal taxable income for these filers by adding items such as interest on obligation for resident estates and trusts and net income taxes paid for both resident and nonresident trusts.

Proposed law retains present law but adds any depreciation of property and expensing of property allowed by present federal law in excess of \$25,000 to the calculation of La. taxable income for resident and nonresident estates and trusts.

Proposed law is applicable to tax periods beginning on and after Jan. 1, 2018.

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

(Amends R.S. 47:293(9)(a) and (10) and 300.7(C)(1); Adds R.S. 47:287.73(B)(6) and 300.6(B)(1)(d))