

GREEN SHEET REDIGEST

HCR 66

2020 Regular Session

Bishop

**TAX/CORP FRANCHISE: Suspends the lower tier of the corporation franchise tax levied on domestic and foreign corporations and the initial tax levied on certain business entities subject to the corporate franchise tax**

-----

DIGEST

Suspends the state corporation franchise tax levied at the rate of \$1.50 for each \$1,000, or major fraction thereof on the first \$300,000 of taxable capital on Louisiana small business corporations and the initial tax levied on corporations or other entities for the first accounting period in which the entity becomes subject to the corporation franchise tax.

(Suspends R.S. 47:601(A) and 611(A))

Summary of Amendments Adopted by House

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

1. Limit the suspension of the corporation franchise tax to the tax levied at the rate of \$1.50 for each \$1,000, or major fraction thereof on the first \$300,000 of taxable capital on domestic and foreign corporations.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill

1. Defines La. small business corporation and clarifies that the suspension of the franchise tax applies to La. small business corporations.
2. Provides that the suspension of the franchise tax applies only to franchise taxable periods beginning between July 1, 2020 and June 30, 2021.