

2022 Regular Session

SENATE BILL NO. 28

BY SENATOR ALLAIN

REVENUE DEPARTMENT. Provides relative to state partnership audit adjustments.
(8/1/22)

1 AN ACT

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

5 Be it enacted by the Legislature of Louisiana:

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

8 §201.2. Reporting adjustments to federal taxable income and federal partnership
9 audit adjustments

10 * * *

11 C. * * *

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

15 * * *

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

1 partners:

2 * * *

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

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

9 (bb) Determine the amount of the adjustments which is of a type that it would
10 not be subject to sourcing to Louisiana by a nonresident partner under R.S.
11 47:290(B).

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

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

23 * * *

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Leonore Heavey.

SB 28 Original DIGEST 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
reported to tiered partners.

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))