

SENATE BILL NO. 28

BY SENATOR ALLAIN

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
18 partners:

19 * * *

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

22 (aa) Determine the amount of the adjustments which is of a type that it would
23 be subject to sourcing to the state under Subpart F of this Part and then determine the

1 portion of this amount that would be sourced to the state applying the provisions of
2 this Section.

3 (bb) Determine the amount of the adjustments which is of a type that it would
4 not be subject to sourcing to Louisiana by a nonresident partner under R.S.
5 47:290(B).

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

12 (v) Multiply the total of the amounts determined in ~~Subparagraphs (a) and (b)~~
13 ~~of this Paragraph~~ **Subitems (iv)(aa) and (bb) of this Subparagraph** reduced by the
14 amount determined in ~~Subparagraph (c) of this Paragraph~~ **Subitem (iv)(cc) of this**
15 **Subparagraph** by the highest tax rate under R.S. 47:32 for individuals and R.S.
16 47:300.1 for trusts and estates.

17 * * *

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____