

# ACT No. 430

2023 Regular Session

HOUSE BILL NO. 631

BY REPRESENTATIVE NELSON

1 AN ACT

2 To amend and reenact R.S. 47:287.95(L)(1) and to repeal R.S. 47:287.95(M), relative to  
3 corporate income tax; to provide for determination of the sales factor for purposes  
4 of calculating Louisiana income; to provide for the sourcing of certain sales; to  
5 exclude certain sales from the calculation of the sales factor; to provide for  
6 applicability; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:287.95(L)(1) is hereby amended and reenacted to read as follows:

9 §287.95. Determination of Louisiana apportionment percent

10 \* \* \*

11 L. Sourcing of certain sales.

12 (1) Sales other than sales of tangible personal property are to be sourced to  
13 this state if the taxpayer's market for the sale is in this state. The taxpayer's market  
14 for a sale is in this state and the sale is assigned to the state for the purpose of this  
15 Section as follows:

16 (a) In the case of sale, ~~rental, lease, or license~~ of immovable property, if and  
17 to the extent the property is located in the state.

18 (b) ~~In the case of rental, lease, or license of tangible personal property, if and~~  
19 ~~to the extent the property is located in the state.~~

20 (c) In the case of sale of a service, if and to the extent the service is delivered  
21 to a location in the state. The delivery of a tangible medium representing the output  
22 of a service does not control the sourcing of receipts from the underlying service.

1           ~~(d)~~ (c) In the case of ~~lease or license of intangible property, including a sale~~  
 2           or exchange of ~~such~~ intangible property where the receipts from the sale or exchange  
 3           derive from payments that are contingent on the productivity, use, or disposition of  
 4           the property, if and to the extent the intangible property is used in the state.

5           ~~(e)~~ (d) In the case of the sale of intangible property, other than as provided  
 6           in Subparagraph ~~(d)~~ (c) of this Paragraph, where the property sold is a contract right,  
 7           government license, or similar intangible property that authorizes the holder to  
 8           conduct a business activity in a specific geographic area, if and to the extent that the  
 9           intangible property is used in or otherwise associated with the state; ~~provided,~~  
 10          ~~however, that any sale of intangible property, not otherwise described in this~~  
 11          ~~Subparagraph and Subparagraph (d) of this Paragraph, shall be excluded from the~~  
 12          ~~numerator and the denominator of the sales factor.~~

\* \* \*

14           Section 2. R.S. 47:287.95(M) is hereby repealed in its entirety.

15           Section 3. The provisions of this Act shall be applicable to tax years beginning on  
 16          or after January 1, 2024.

17           Section 4. This Act shall become effective on January 1, 2024.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_