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

DIGEST

Mount (SB 41)

Present law imposes a corporate franchise tax on corporations based upon the amount of their capital stock, surplus, undivided profits, and "borrowed capital" on their books at the closing of the previous calendar or fiscal year.

Proposed law authorizes corporations set forth below that have "borrowed capital" that is in excess of the "borrowed capital" on that corporation's books on the calendar or fiscal year closing immediately prior to August 28, 2005, to elect to compute the "borrowed capital" portion of their franchise tax base on the basis of the previous calendar or fiscal year closing immediately prior to August 28, 2005.

The corporations authorized to use this election are corporations that either had (1) at least 50% of their property in the state located in, or (2) received at least 50% of their in-state revenues from, the Hurricane Katrina or Hurricane Rita FEMA "Individual Assistance Areas."

Effective for taxable periods beginning after August 28, 2005.

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

(Amends R.S. 47:609(A))

Summary of Amendments Adopted by Senate

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

1. Specifies that, to receive the exemption, the corporation need only have 50% of its in-state property or in-state revenues from the declared disaster areas.