

First Extraordinary Session, 2005

SENATE BILL NO. 112

BY SENATOR SHEPHERD

TAX/TAXATION. Provides for computation of borrowed capital by corporations affected by hurricanes Katrina or Rita which have incurred extraordinary debt.

1 AN ACT

2 To amend and reenact R.S. 47:609(A), relative to the corporation franchise tax; to provide  
3 for the computation of borrowed capital which includes extraordinary debt incurred  
4 by corporations directly affected by hurricanes Katrina and Rita; to provide for an  
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:609(A) is hereby amended and reenacted to read as follows:

8 §609. Due date, payment and reporting of tax

9 A.(1) The tax levied by this Chapter is for the annual accounting period,  
10 fiscal, or calendar year, regularly used by the taxpayer in keeping its books, with no  
11 proration for a portion of the year in the case of dissolution of domestic corporations  
12 or withdrawal from the state by foreign corporations, or where a corporation  
13 otherwise ceases to become taxable under this Chapter. The tax is due on the first  
14 day of each calendar or fiscal year and annually thereafter, and, **except as provided**  
15 **for in Paragraph (2) of this Subsection**, is computed on the basis of the previous  
16 calendar or fiscal year closing. The tax is payable to the secretary on or before the  
17 fifteenth day of the third month following the month in which the tax is due.



1 of the New Orleans Saints professional football team or any relatives thereof.

2 Section 4. This Act shall become effective upon signature by the governor or, if not  
3 signed by the governor, upon expiration of the time for bills to become law without signature  
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
6 effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Jerry J. Guillot.

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#### DIGEST

Present law provides that the franchise tax is computed on the basis of the previous calendar or fiscal year closing.

Proposed law provides that corporations that had at least 50% of their property located in or that receive at least 50% of their revenues from the Hurricane Katrina or Hurricane Rita Federal Emergency Management Agency Individual Assistance Area and 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, will be considered to have incurred extraordinary debt as a result of a gubernatorially declared disaster of 2005 and therefore may elect to compute the borrowed capital portion of their franchise tax base either on the basis of the previous calendar or fiscal year closing or on the basis of the calendar or fiscal year closing immediately prior to August 28, 2005.

Proposed law shall apply to any corporation, including but not limited to, Terry Bradshaw and Associates, which may borrow capital for the purposes of purchasing any National Football League (NFL) franchise team, which said incurred debt is to be used to revitalize a Hurricane Katrina or Hurricane Rita Federal Emergency Management Agency Individual Assistance Area.

Proposed law shall not be used to benefit the current owner of the New Orleans Saints professional football team or any relatives thereof.

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

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