Hammett (HB 41) **Act No. 27**

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

New 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.

Effective upon signature of governor (November 29, 2005).

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