

Regular Session, 2013

HOUSE BILL NO. 700

BY REPRESENTATIVE LEGER

TAX/CORP INCOME: Provides relative to the state tax levied on corporations

1 AN ACT

2 To amend and reenact R.S. 47:31, 103(A), 120.31(A)(1)(introductory paragraph), the
3 heading of Subpart F of Part II of Chapter 2 of Subtitle II of Title 47 of the Louisiana
4 Revised Statutes of 1950 and 241 and to repeal R.S. 47:32(C), 287.2, 287.11, 287.12,
5 and 601, relative to corporate taxes; to provide with respect to corporate income and
6 franchise taxes; to repeal the corporate income and franchise taxes; to provide for
7 effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:31, 103(A), 120.31(A)(1)(introductory paragraph), the heading
10 of Subpart F of Part II of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised
11 Statutes of 1950 and 241 are hereby amended and reenacted to read as follows:

12 §31. Individuals, ~~corporations~~ and trusts subject to tax

13 There shall be levied, collected, and paid for each taxable year a tax upon the
14 net income of residents and nonresidents and estates, ~~trusts and corporations~~, as
15 hereinafter provided.

16 (1) Resident individuals. Every person residing within the state, or the
17 personal representative in the event of death, shall pay a tax on net income from
18 whatever source derived, except as hereinafter exempted.

19 Every natural person domiciled in the state, and every other natural person
20 who maintains a permanent place of abode within the state or who spends in the

1 aggregate more than six months of the taxable year within the state, shall be deemed
2 to be a resident of this state for the purpose of determining liability for income taxes
3 under this Chapter.

4 (2) Nonresident individuals. Every nonresident shall pay a tax upon such net
5 income as is derived from property located, or from services rendered, or from
6 business transacted within the state, or from sources within the state, except as
7 hereinafter exempted.

8 ~~(3) Corporations. Corporations shall be taxed on net income from sources~~
9 ~~within the state, as hereinafter set out.~~

10 ~~(4) Domestic real estate investment trusts. Trusts shall be taxed on net~~
11 ~~income from whatever source derived, except as otherwise exempted.~~

12 ~~(5) Foreign real estate investment trusts. Foreign real estate investment~~
13 ~~trusts shall be taxed on net income from sources within the state, as hereinafter set~~
14 ~~out.~~

15 * * *

16 §103. Time and place for filing returns; information concerning federal return

17 A. ~~Time and place for filing returns. (1) Corporation income tax returns.~~
18 ~~Returns for corporations on the basis of the calendar year shall be made and filed~~
19 ~~with the secretary at Baton Rouge, Louisiana, on or before the fifteenth day of April,~~
20 ~~following the close of the calendar year. Returns for corporations made on the basis~~
21 ~~of a fiscal year shall be made and filed with the secretary at Baton Rouge, Louisiana,~~
22 ~~on or before the fifteenth day of the fourth month following the close of the fiscal~~
23 ~~year.~~

24 ~~(2) Other income tax returns. Returns other than corporation returns made~~
25 ~~on the basis of the calendar year shall be made and filed with the secretary at Baton~~
26 ~~Rouge, Louisiana, on or before the fifteenth day of May, following the close of the~~
27 ~~calendar year. Returns other than corporation returns made on the basis of a fiscal~~
28 ~~year shall be made and filed with the secretary at Baton Rouge, Louisiana, on or~~
29 ~~before the fifteenth day of the fifth month following the close of the fiscal year.~~

1 Section 2. R.S. 47:32(C), 287.2, 287.11, 287.12, and 601 are hereby repealed in their
2 entirety.

3 Section 3. This Act shall take effect on January 1, 2014.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Leger

HB No. 700

Abstract: Repeals the levy and imposition of the corporate income and corporation franchise taxes.

Present law provides that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation shall be computed at the following rates:

- (1) 4% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 6% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 7% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) 8% on all La. taxable income in excess of \$200,000.

Proposed law repeals present law.

Present law requires every domestic corporation and every foreign corporation, exercising its charter, or qualified to do business or actually doing business in this state, or owning or using any part or all of its capital, plant, or any other property in this state, to pay an annual tax at the rate of \$1.50 for each \$1,000 on the first \$300,000 of taxable capital and at the rate of \$3 for each \$1,000 exceeding \$300,000 of taxable capital.

Present law defines "taxable capital", "capital stock", and "surplus and undivided profits" for purposes of levying the tax. Further provides for a general allocation formula relative to allocation of taxable capital and for certain exemptions from the tax.

Proposed law repeals present law.

Effective Jan. 1, 2014.

(Amends R.S. 47:31, 103(A), 120.31(A)(1)(intro. para.), the heading of Subpart F of Part II of Chapter 2 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950 and 241; Repeals R.S. 47:32(C), 287.2, 287.11, 287.12, and 601)