

**HOUSE COMMITTEE AMENDMENTS**

2015 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 624 by Representative Jackson

1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" delete the remainder of the line and insert the following:

3 "R.S. 6:662, R.S. 12:302(L) and 425, R.S. 47:48, 51, 158(C) and (D),  
4 246(A), 287.71(B)(2), (3), (4), and (6), 287.73(C)(4), 287.86(A)(introductory  
5 paragraph), 287.732(B)(2), 287.738(F)(1) and (G), and 287.745(B), and R.S.  
6 51:3092, relative to corporate"

7 AMENDMENT NO. 2

8 On page 1, line 8, after "Section 1." delete the remainder of the line and insert "R.S. 6:662  
9 is hereby amended and"

10 AMENDMENT NO. 3

11 On page 1, between lines 9 and 10, insert the following:

12 "§662. Taxation

13 A credit union is an institution for savings. It, together with all  
14 accumulations therein, is not subject to taxation except as to immovable  
15 property owned. The shares of a credit union are ~~not~~ are subject to a eighty  
16 percent of the stock transfer tax when issued by the corporation or when  
17 transferred from one member to another. No fees or ~~taxes~~ ~~nor~~ any of the  
18 stipulations as to capital stock set forth in general statutes for corporations  
19 apply to credit unions.

20 Section 2. R.S. 12:302(L) and 425 are hereby amended and reenacted to read  
21 as follows:

22 §302. Acts not considered transacting business

23 Without excluding other activities which may not constitute  
24 transacting business in this state, a foreign corporation or a business  
25 association shall not be considered to be transacting business in this state, for  
26 the purpose of being required to procure a certificate of authority pursuant to  
27 R.S. 12:301, by reason of carrying on in this state any one or more of the  
28 following activities:

29 \* \* \*

30 L. No foreign corporation or business association of the type  
31 described in Subsection K of this section and confining its business  
32 operations in Louisiana to the activities described in said Subsection K shall  
33 be required to pay ~~any~~ greater than eighty percent of any tax or any fee  
34 required to be paid by foreign corporations or business associations under  
35 any law of this state; such exemption, however, shall not include ad valorem  
36 taxes assessed against any real property which such foreign corporations or  
37 business associations may own in this state. Nothing in this section shall be  
38 construed to permit any foreign corporation or business association to do  
39 business in violation of the small loan law of this state, nor of the laws of

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 Louisiana governing the organization and operation of homesteads, building  
2 and loan associations or societies, or savings and loan associations or  
3 societies.

4 \* \* \*

5 §425. Taxation

6 Each cooperative shall pay annually, on or before the first day of July,  
7 to the department of revenue, a fee of ten dollars for each one hundred  
8 persons or fraction thereof to whom electricity is supplied within the state by  
9 it, but shall be exempt from eighty percent of all other excise and income  
10 taxes whatsoever.

11 Section 3. R.S. 47:48, 51, 158(C) and (D), 246(A), 287.71(B)(2), (3),  
12 (4), and (6), 287.73(C)(4), 287.86(A)(introductory paragraph),  
13 287.732(B)(2), 287.738(F)(1) and (G), and 287.745(B) are hereby amended  
14 and reenacted to read as follows:

15 §48. Exclusion from gross income; interest on Louisiana state or local  
16 government obligations

17 The Eighty percent of the amount of interest received upon  
18 obligations of the State of Louisiana, or any political or municipal  
19 subdivision thereof, to such extent as is now exempt by law shall not be  
20 included in gross income.

21 \* \* \*

22 §51. Exclusions from gross income; governmental subsidies

23 ~~Funds~~ Eighty percent of funds accrued by a corporation engaged in  
24 operating a public transportation system from any federal, state or municipal  
25 governmental entity to subsidize the operation and maintenance of such a  
26 transportation system shall not be included in gross income and shall be  
27 exempt from taxation under this Chapter. All expenses of operating the  
28 transit system incurred by the corporation shall be deductible in arriving at  
29 net income.

30 \* \* \*

31  
32 §158. Basis for depletion

33 \* \* \*

34 C. Percentage depletion for oil and gas wells. In the case of oil and  
35 gas wells the allowance for depletion under R.S. 47:66 shall be ~~twenty-two~~  
36 percentum eighteen percent of the gross income from the property during the  
37 taxable year, excluding from such gross income an amount equal to eighty  
38 percent of any rents or royalties paid or incurred by the taxpayer in respect  
39 of the property. Such allowance shall not exceed ~~fifty~~ forty percent of the net  
40 income of the taxpayer, computed without allowance for depletion, from the  
41 property except that in no case shall the depletion allowance under R.S.  
42 47:66 be less than it would be if computed without reference to this  
43 Subsection.

44 D. Percentage depletion for coal and metal mines and sulphur. The  
45 allowance for depletion under R.S. 47:66 shall be, in the case of coal mines,  
46 ~~five per centum (5%)~~ four percent, in the case of metal mines, ~~fifteen per~~

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1 ~~centum (15%)~~ twelve percent, and in the case of sulphur mines or deposits,  
 2 ~~twenty-three per centum (23%)~~ eighteen percent, of the gross income from  
 3 the property during the taxable year, excluding from such gross income an  
 4 amount equal to eighty percent of any rents or royalties paid or incurred by  
 5 the taxpayer in respect of the property. Such allowance shall not exceed ~~fifty~~  
 6 ~~per centum (50%)~~ forty percent of the net income of the taxpayer (computed  
 7 without allowance for depletion) from the property. A taxpayer making his  
 8 first return under this Chapter or under Act 21 of 1934 in respect of a  
 9 property, shall state whether he elects to have the depletion allowance for  
 10 such property for the taxable year for which the return is made computed  
 11 with or without regard to percentage depletion, and the depletion allowance  
 12 in respect of such property for such year and all succeeding taxable years  
 13 shall be computed according to the election thus made. If the taxpayer fails  
 14 to make such statement in the return, the depletion allowance for such  
 15 property for all taxable years shall be computed without reference to  
 16 percentage depletion. This Sub-section shall not be construed as granting a  
 17 new election to any taxpayer relative to any property with respect to which  
 18 he has filed a return under Act 21 of 1934.

19 \* \* \*

20 §246. Corporations; deduction from net income from Louisiana sources

21 A. Subject to the limitations provided herein, there shall be deducted  
 22 from any net income from Louisiana sources determined under the provisions  
 23 of R.S. 47:241 of a corporation for any year following the close of the first  
 24 taxable year which commenced on or after January 1, 1979 and prior to  
 25 January 1, 2015, the amount of net Louisiana loss incurred in a preceding  
 26 year determined as provided in Subsection B of this Section. For taxable  
 27 years beginning on or after January 1, 2015, the amount of the deduction  
 28 allowed shall be eighty percent of the amount of net Louisiana loss incurred  
 29 in a preceding year determined as provided in Subsection B of this Section.

30 \* \* \*

31 §287.71. Modifications to federal gross income

32 \* \* \*

33 B. There shall be subtracted from gross income determined under  
 34 federal law, unless already excluded therefrom, the following items:

35 \* \* \*

36 (2) ~~Funds~~ Eighty percent of the funds accrued by a corporation  
 37 engaged in operating a public transportation system from any federal, state,  
 38 or municipal governmental entity to subsidize the operation and maintenance  
 39 of such a transportation system.

40 (3) ~~Refunds~~ Eighty percent of the refunds of Louisiana corporation  
 41 income tax received during the taxable year.

42 (4) ~~Interest~~ Eighty percent of the interest on obligations or securities  
 43 issued by the state of Louisiana or its political or municipal subdivisions.

44 \* \* \*

45 (6) ~~Amounts~~ Eighty percent of the amounts received as dividend  
 46 income from banking corporations organized under the laws of Louisiana,  
 47 from national banking corporations doing business in Louisiana, and from  
 48 capital stock associations whose stock is subject to ad valorem taxation.

1 \* \* \*

2 §287.73. Modifications to deductions from gross income allowed by federal  
3 law

4 \* \* \*

5 C. Additions. The following items are declared allowable as  
6 deductions in the computation of net income and shall be added to the  
7 deductions allowed under federal law to the extent not already included  
8 therein:

9 \* \* \*

10 (4) Expenses disallowed by I.R.C. Section 280(C). ~~Expenses~~ Eighty  
11 percent of expenses which would otherwise be deductible under federal law,  
12 but for the disallowance provisions of I.R.C. Section 280(C), relative to  
13 certain expenses for which credits are allowable.

14 \* \* \*

15 §287.86. Net operating loss deduction

16 A. Deduction from Louisiana net income. Except as otherwise  
17 provided, there shall be allowed for the taxable year an adjustment reducing  
18 Louisiana net income in an amount equal to eighty percent of the aggregate  
19 of:

20 \* \* \*"

21 AMENDMENT NO. 4

22 On page 2, delete lines 11 through 13 and insert the following:

23 "G. Deduction for hurricane recovery benefits. ~~Any~~ Eighty percent  
24 of any gratuitous grant, loan, or other benefit directly or indirectly provided  
25 to a taxpayer by a hurricane recovery entity as defined in R.S. 47:293 shall  
26 be allowed as a deduction if such benefit was included in federal adjusted  
27 gross income.

28 \* \* \*

29 §287.745. Deductions from gross income; depletion

30 \* \* \*

31 B. In the case of oil and gas wells, the percentage depletion provided  
32 for in Subsection A shall be ~~twenty-two~~ eighteen percent of gross income  
33 from the property during the taxable year, excluding from such gross income  
34 an amount equal to eighty percent any rents or royalties paid or incurred by  
35 the taxpayer in respect of the property. Such allowance shall not exceed ~~fifty~~  
36 forty percent of the net income of the taxpayer, computed without allowance  
37 for depletion, from the property. In determining net income from the  
38 property, federal income taxes shall be considered an expense.

39 Section 4. R.S. 51:3092 is hereby amended and reenacted to read as follows:

40 §3092. Corporation income and franchise tax exemption

42 Notwithstanding any other provision of law to the contrary, any  
43 corporation that is a LCDFI as provided for in this Chapter shall be exempt  
44 from the corporation income tax and the corporation franchise tax levied  
45 pursuant to Title 47 of the Louisiana Revised Statutes of 1950 for ~~five~~ four

1 consecutive taxable periods. The exemption from the corporation income tax  
2 shall commence with the taxable period in which the capital company is  
3 certified by the commissioner. The exemption from the corporation  
4 franchise tax shall commence with the taxable period next following the  
5 taxable period in which certification as a LCDFI is obtained from the  
6 commissioner.

7 Section 5. The provisions of this Act shall apply to all exclusions  
8 from taxable income and all claims for deductions made on any return filed  
9 on or after July 1, 2015, regardless of the year to which the return relates."