

2015 Regular Session

HOUSE BILL NO. 813

BY REPRESENTATIVE STOKES

TAX/CORP FRANCHISE: Includes limited liability companies taxed as corporations within the definition of domestic corporation for the purposes of the corporation franchise tax

1 AN ACT

2 To amend and reenact R.S. 47:601(C)(1), relative to corporation franchise tax; to provide
3 with respect to imposition of the tax; to provide for definitions; to impose the tax on
4 limited liability companies under certain circumstances; to provide for applicability;
5 to provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:601(C)(1) is hereby amended and reenacted to read as follows:

8 §601. Imposition of tax

9 * * *

10 C.(1) As used herein the term "domestic corporation" shall mean and include
11 all corporations, limited liability companies taxed as corporations for purposes of
12 federal income tax, joint stock companies or associations, or other business
13 organizations organized under the laws of this state which have privileges, powers,
14 rights, or immunities not possessed by individuals or partnerships.

15 * * *

16 Section 2. The provisions of this Act shall apply to all taxable periods beginning on
17 and after January 1, 2016.

18 Section 3. This Act shall become effective upon signature by the governor or, if not
19 signed by the governor, upon expiration of the time for bills to become law without signature

1 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
2 vetoed by the governor and subsequently approved by the legislature, this Act shall become
3 effective on the day following such approval.

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)]

HB 813 Original

2015 Regular Session

Stokes

Abstract: Imposes the corporation franchise tax on limited liability companies taxed as corporations for federal income tax purposes.

Present law imposes a corporation franchise tax on 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 \$3 for each \$1,000, which exceeds \$300,000 of taxable capital.

Present law defines "domestic corporation" for purposes of levying the tax.

Proposed law retains present law and expands the definition of "domestic corporation" to include limited liability companies taxed as corporations for federal income tax purposes.

Applicable for all taxable periods beginning on and after Jan. 1, 2016.

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

(Amends R.S. 47:601(C)(1))