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## DIGEST

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HB 29 Original

2016 First Extraordinary Session

Leger

**Abstract:** Reduces rates for purposes of calculating corporation income tax liability.

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 reduces the present law rates for the tax on the taxable income of corporations to the following:

- (1) From 4% to 3.5% on the first \$25,000 of La. taxable income.
- (2) From 5% to 4.5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) From 6% to 5.5% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) From 7% to 6.5% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) From 8% to 7.5% on all La. taxable income in excess of \$200,000.

Applicable to all tax years beginning on and after January 1, 2017.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. \_\_\_\_ of this 2016 First E.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:287.12)