

2016 Second Extraordinary Session

HOUSE BILL NO. 6

BY REPRESENTATIVE LEGER

TAX/INCOME TAX: Provides with respect to the applicability and effectiveness of Act No. 8 from the 2016 First Extraordinary Session of the legislature which established a flat rate for purposes of calculating corporation income tax liability (Item #38)

1 AN ACT

2 To amend and reenact Sections 2 and 3 of Act No. 8 of the 2016 First Extraordinary Session
3 of the Legislature, relative to corporate income tax; to provide for the applicability
4 and effectiveness of the corporate income tax rate established in Act No. 8 of the
5 2016 First Extraordinary Session of the Legislature; to provide for an effective date;
6 and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. Sections 2 and 3 of Act No. 8 of the 2016 First Extraordinary Session of
9 the Legislature are hereby amended and reenacted to read as follows:

10 * * *

11 Section 2. The provisions of this Act shall be applicable to all tax years
12 beginning on and after ~~January 1, 2017~~ January 1, 2018.

13 Section 3. This Act shall take effect ~~on January 1, 2017~~, and shall become
14 operative on January 1, 2018, if the proposed amendment of Article VII of the
15 Constitution of Louisiana contained in the Act which originated as House Bill No.
16 31 of this 2016 First Extraordinary Session of the Legislature is adopted at a
17 statewide election and becomes effective.

1 Section 2. This Act shall become effective upon signature by the governor or, if not
 2 signed by the governor, upon expiration of the time for bills to become law without signature
 3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 5 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 6 Original

2016 Second Extraordinary Session

Leger

Abstract: Changes the applicability and effectiveness of Act No. 8 of 2016 1st E.S., which established a flat rate of 6.5% for purposes of calculating corporate 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 (Act No. 8) changes present law by deleting the graduated schedule of rates dependant on the amount of taxable income of the taxpayer in favor of a flat 6.5% corporate income tax rate.

Proposed law (Act No. 8) is applicable to all tax years beginning on and after Jan. 1, 2017, and becomes effective Jan. 1, 2017, if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 31 of the 2016 1st E.S. of the Legislature is adopted at a statewide election and becomes effective.

Proposed law changes the effective date of proposed law (Act No. 8) from Jan. 1 2017, to Jan. 1, 2018, subject to adoption of the proposed constitutional amendment at a statewide election. Proposed law additionally changes the applicability provisions from all tax years beginning on and after Jan.1, 2017, to all tax years beginning on and after Jan. 1, 2018.

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

(Amends §§2 and 3 of Act No. 8 of 2016 1st E.S.)