

2016 Second Extraordinary Session

HOUSE BILL NO. 5

BY REPRESENTATIVE LEGER

TAX/CORP INCOME: Provides with respect to the applicability and effectiveness of Act Nos. 30 and 31 of the 2016 First Extraordinary Session of the Legislature which eliminated the deductibility of federal income taxes paid for purposes of computing corporate income taxes (Items #39 & 40)

1 AN ACT

2 To amend and reenact Sections 3 and 4 of Act No. 30 of the 2016 First Extraordinary

3 Session of the Legislature and Sections 2, 3, and 4 of Act No. 31 of the 2016 First

4 Extraordinary Session of the Legislature, relative to corporate income tax; to provide

5 for the deductibility of federal income taxes paid from state corporate income tax

6 liability; to provide for the applicability and effectiveness of proposed changes to the

7 deduction; to change the date for submission of a proposed constitutional amendment

8 to the voters; to provide for an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Sections 3 and 4 of Act No. 30 of the 2016 First Extraordinary Session
11 of the Legislature are hereby amended and reenacted to read as follows:

12 * * *

13 Section 3. The provisions of this Act shall be applicable for all taxable
14 periods beginning on and after ~~January 1, 2017~~ January 1, 2018.

1 Section 4. This Act shall become operative and take effect on ~~January 1,~~
2 ~~2017~~ January 1, 2018, if the proposed amendment of Article VII of the Constitution
3 of Louisiana contained in the Act which originated as House Bill No. 31 of the 2016
4 First Extraordinary Session of the Legislature is adopted at a statewide election and
5 becomes effective.

6 Section 2. Sections 2, 3, and 4 of Act No. 31 of the 2016 First Extraordinary Session
7 of the Legislature are hereby amended and reenacted to read as follows:

8 * * *

9 Section 2. Be it further resolved that the provisions of the amendment
10 contained in this Joint Resolution shall become effective on ~~January 1, 2017~~ January
11 1, 2018, and shall be applicable for all tax years beginning on and after ~~January 1,~~
12 ~~2017~~ January 1, 2018.

13 Section 3. Be it further resolved that this proposed amendment shall be
14 submitted to the electors of the state of Louisiana at the statewide election to be held
15 on ~~November 8, 2016~~ October 14, 2017.

16 Section 4. Be it further resolved that on the official ballot to be used at the
17 election, there shall be printed a proposition, upon which the electors of the state
18 shall be permitted to vote YES or NO, to amend the Constitution of Louisiana, which
19 proposition shall read as follows:

20 Do you support an amendment to eliminate the deductibility
21 of federal income taxes paid in computing state corporate
22 income taxes? (Effective ~~January 1, 2017~~ January 1, 2018)
23 (Amends Article VII, Section 4(A))

24 Section 3. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 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 5 Engrossed

2016 Second Extraordinary Session

Leger

Abstract: Changes the date of the statewide election for voters to decide on the deductibility of federal income taxes paid for purposes of computing corporate income taxes and changes the applicability and effective date provisions of Act Nos. 30 and 31 of the 2016 1st E. S.

Present constitution and present law authorize federal income taxes paid as a deductible item in computing state income taxes for the same period.

Proposed constitutional amendment (Act No. 31) and proposed law (Act No. 30) change present constitution and present law by eliminating the deductibility of federal income taxes paid in the computation of corporate income tax liability.

Proposed constitutional amendment (Act No. 31) provides for submission to the voters at the statewide election to be held on Nov. 8, 2016, and if adopted, it becomes effective Jan. 1, 2017, and applicable to all tax years beginning on and after Jan. 1, 2017.

Proposed law changes the proposed constitutional amendment (Act No. 31) by changing the statewide election in which the proposal is to be submitted to the voters from Nov. 8, 2016, to Oct. 14, 2017. Further, proposed law changes the effective date and the applicability of the proposed constitutional amendment (Act No. 31) and proposed law (Act No. 30) from Jan. 1, 2017, to Jan. 1, 2018, and 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 §§3 and 4 of Act No. 30 of 2016 1st E. S. and §§2, 3, and 4 of Act No. 31 of 2016 1st E. S.)