
DIGEST

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HB 195 Original

2017 Regular Session

Reynolds

Abstract: Provides with respect to the tax treatment of certain property located in La. in a foreign trade zone for purposes of La. corporation income and franchise taxes.

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.

Present law defines conditions and circumstances to be considered for the purpose of apportionment of La. income.

Proposed law retains present law and makes technical changes to internal references within present law concerning certain corporeal movable property located in La. in a foreign trade zone.

Present law establishes the corporation franchise tax which is levied on every domestic and foreign corporation exercising its charter, qualified to do business, or actually doing business in La. It is also levied on any domestic or foreign corporation owning or using any part of its capital, plant, or other property in La.

Present law provides that the tax shall be levied at the following rates:

- (1) \$1.50 per \$1,000 of taxable capital, up to \$300,000.
- (2) \$3 per \$1,000 of taxable capital above \$300,000.

Present law defines conditions and circumstances to be considered for the purpose of allocation of capital for purposes of the tax.

Proposed law retains present law and makes technical changes to internal references within present law concerning certain corporeal movable property located in La. in a foreign trade zone.

Applicable to taxable periods beginning on or after Jan. 1, 2018.

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

(Amends R.S. 47:287.95(H) and 606(D))