

2017 Regular Session

HOUSE BILL NO. 421

BY REPRESENTATIVE LEGER

TAX/CORP INCOME: Reduces the corporate income tax rates

1 AN ACT

2 To amend and reenact R.S. 47:287.12, relative to the corporate income tax; to reduce the
3 number of rate categories for such tax; to reduce the tax rates; to provide for
4 applicability; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:287.12 is hereby amended and reenacted to read as follows:

7 §287.12. Rates of tax

8 The tax to be assessed, levied, collected, and paid upon the Louisiana taxable
9 income of every corporation shall be computed at the rate of:

10 (1) ~~Four~~ Three percent upon the first twenty-five thousand dollars of
11 Louisiana taxable income.

12 ~~(2) Five percent upon the amount of Louisiana taxable income above~~
13 ~~twenty-five thousand dollars but not in excess of fifty thousand dollars.~~

14 ~~(3) Six~~ (2) Five percent on the amount of Louisiana taxable income above
15 ~~fifty~~ twenty-five thousand dollars but not in excess of one hundred fifty thousand
16 dollars.

17 ~~(4) Seven percent on the amount of Louisiana taxable income above one~~
18 ~~hundred thousand dollars but not in excess of two hundred thousand dollars.~~

19 ~~(5) Eight~~ (3) Seven percent on all Louisiana taxable income in excess of ~~two~~
20 one hundred fifty thousand dollars.

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

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

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 421 Original

2017 Regular Session

Leger

Abstract: Reduces the corporate income tax rates.

Present law provides that a tax be levied and collected on the La. taxable income of every corporation.

Present law provides that the rate of the tax be computed as follows:

- (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 provides that the rate of the tax be computed as follows:

- (1) 3% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$150,000.
- (3) 7% on La. taxable income in excess of \$150,000.

Applicable to all tax years beginning on or after Jan. 1, 2018.

Effective January 1, 2018, if the proposed amendment of Article VII of the Constitution of La. contained in HB No. _____ of the 2017 R.S. is adopted at a statewide election and becomes effective.

(Amends R.S. 47:287.12)