

2017 Regular Session

HOUSE BILL NO. 153

BY REPRESENTATIVE BROADWATER

TAX/CORP INCOME: Provides relative to the net operating loss deduction from corporate income tax

1 AN ACT

2 To amend and reenact R.S. 47:287.86(A), relative to corporate income tax; to provide for  
3 the net operating loss deduction; to provide for the amount of the deduction allowed;  
4 to provide for applicability; to provide for effectiveness; and to provide for related  
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:287.86(A) is hereby amended and reenacted to read as follows:

8 §287.86. Net operating loss deduction

9 A. Deduction from Louisiana net income. Except as otherwise provided, ~~for~~  
10 all claims for this deduction ~~on~~ shall be allowable as follows:

11 (1) For any return filed on or after July 1, 2015, regardless of the taxable  
12 year to which the return relates relating to any taxable year beginning before January  
13 1, 2020, there shall be allowed for the taxable year a deduction reducing Louisiana  
14 net income in an amount equal to seventy-two percent of the net operating loss  
15 carryovers to such year, but the deduction shall never exceed seventy-two percent  
16 of Louisiana net income.

17 (2) For taxable years beginning on or after January 1, 2020, there shall be  
18 allowed for the taxable year a deduction reducing Louisiana net income in an amount  
19 equal to the net operating loss carryovers to such year.

20 \* \* \*

1           Section 2. Notwithstanding the provisions of this Act, Section 5(B) of Act No. 123  
2 of the 2015 Regular Session of the Legislature shall remain effective for an amended return  
3 filed on or after July 1, 2015, relating to a claim for a net operating loss deduction properly  
4 claimed on an original return filed prior to July 1, 2015. Any disallowed portion claimed as  
5 a deduction for net operating loss authorized by Section 5(C) of Act No. 123 of the 2015  
6 Regular Session shall be allowed in addition to the net operating loss deductions authorized  
7 by Section 1 of this Act.

8           Section 3. This Act shall become effective upon signature by the governor or, if not  
9 signed by the governor, upon expiration of the time for bills to become law without signature  
10 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
11 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
12 effective on the day following such approval.

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#### 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)]

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HB 153 Engrossed

2017 Regular Session

Broadwater

**Abstract:** Restores the net operating loss deduction to allow for a deduction reducing La. net income in an amount equal to the net operating loss carryovers.

Present law provides for a deduction from corporate income tax for 72% of the amount of the net operating loss incurred in La., but prohibits the amount from exceeding 72% of the amount of La. net income.

Proposed law changes present law with respect to the amount of the allowable deduction. The amount of the allowable deduction is increased from 72% to 100% of the amount of the net operating loss incurred in La., and removes the limitation that the amount of the deduction can never exceed 72% of the amount of La. net income.

Proposed law is applicable to all taxable periods beginning on or after Jan. 1, 2020.

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

(Amends R.S. 47:287.86(A))