
DIGEST

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HB 555 Engrossed

2017 Regular Session

Jackson

Abstract: Provides a corporate income tax deduction for dividend income received by certain regulated groups of entities.

Present law provides a deduction from corporation income amounts received as dividend income from certain La. banking corporations, national banking corporations, and from capital stock associations whose stock is subject to ad valorem taxation.

Proposed law retains present law and adds dividend income received by a regulated group of entities to the list of dividend income that may be deducted from corporation income.

Proposed law defines "regulated group of entities" to mean a group made up of a parent entity and other legal entities when the parent entity owns a majority of either the vote or the value of stock, membership interest, partnership interest, or other ownership interest. Requires at least one of the members of the group to be regulated by the La. Public Service Commission as either a telecommunications service provider or an electric utility.

Proposed law defines "legal entities" to include, but not be limited to, corporations, limited liability companies, partnerships, or any other forms of business organizations.

Proposed law is applicable to all taxable periods beginning on and after Jan. 1, 2018.

Effective Jan. 1, 2018.

(Amends R.S. 47:287.71(B)(6))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add provision that proposed law is applicable to all taxable periods beginning on and after Jan. 1, 2018.