
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 30 Original

2018 First Extraordinary Session

Jackson

Abstract: Defines "regulated group of entities" for purposes of excluding dividend income in the determination of gross income for purposes of calculating state corporate income tax.

Present law excludes amounts received as dividend income by any member of a regulated group of entities from the calculation of gross income as determined under federal law.

Present law defines "regulated group of entities" as a group comprised of a parent entity and any other legal entities in which the parent entity directly or indirectly owns at least 50% of either the vote or the value of the stock, membership interest, partnership interest, or other ownership interest and in which either one of the following applies:

- (1) One or more of the members of the group is regulated by the La. Public Service Commission (LPSC) as a telecommunications service provider and at least one of the members of the group has at any time been party to a contract entered into under the authority of present law.
- (2) One or more of the members of the group is regulated by the LPSC as an electric utility.

Proposed law retains present law but adds a qualifying condition for a "regulated business entity" to be eligible to exclude dividend income for purposes of determining gross income that one or more of the members of the group is regulated by the LPSC as a pipeline carrier and at least one of the non-pipeline carrier members of the group not regulated by the LPSC has at any time been party to a contract entered into under the authority of the present constitution.

Applicable to all taxable periods beginning on and after Jan. 1, 2017.

Effective July 1, 2018.

(Amends R.S. 47:287.71(B)(6)(b)(ii)(intro. para.); Adds R.S. 47:287.71(B)(6)(b)(ii)(cc))