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## DIGEST

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HB 17 Original

2020 First Extraordinary Session

Bishop

**Abstract:** Suspends the annual franchise tax levied at the rate of \$1.50 for each \$1,000, or major fraction thereof on the \$300,000 of taxable capital and the initial franchise tax of \$110 for franchise taxable periods beginning between July 1, 2020, through June 30, 2024.

Present law levies an annual corporation franchise tax on every corporation exercising its charter or qualified to do business or actually doing business in this state at the following rates:

- (1) \$1.50 for each \$1,000, or major fraction thereof on the first \$300,000 of taxable capital.
- (2) \$3.00 for each \$1,000, or major fraction thereof, which exceeds \$300,000 of taxable capital.

Proposed law suspends the annual franchise tax levied at the rate of \$1.50 for each \$1,000, or major fraction thereof on the \$300,000 of taxable capital for franchise taxable periods beginning between July 1, 2020, through June 30, 2024.

Present law levies an initial tax of \$110 in the first accounting period in which an entity becomes subject to the corporation franchise tax. The tax is first due immediately on the entity becoming taxable under present law and is payable on or before the 15th day of the 4th month after the month in which the tax is due.

Proposed law suspends the initial franchise tax of \$110 in the first accounting period in which the entity becomes subject to the corporation franchise tax for franchise taxable periods beginning between July 1, 2020, through June 30, 2024.

Effective July 1, 2020.

(Amends R.S. 47:601(A) and 611(A))