
The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Curry J. Lann.

DIGEST

SB 6 Reengrossed

2020 First Extraordinary Session

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Present law levies the corporation franchise tax on corporations and entities taxed as corporations exercising their charter, qualified to do business, or actually doing business in the state or owning or using any part of its capital, plant, or other property in Louisiana.

Present law provides that the tax shall be levied at the following rates:

- (1) \$1.50 per \$1,000 of taxable capital, up to \$300,000.
- (2) \$3.00 per \$1,000 of taxable capital above \$300,000.

Proposed law provides for a suspension of the corporation franchise tax on the first \$300,000 of taxable capital for small business corporations.

Proposed law defines "small business corporation" as an entity that is subject to the corporation franchise tax, and that has taxable capital of \$1,000,000 or less.

Proposed law retains present law tax rate of \$3 per \$1,000 of taxable capital above \$300,000 and retains the first bracket of the tax for all taxpayers with taxable capital above \$1,000,000.

Present law levies an initial tax on corporations or other entities for the first accounting period in which the entity becomes subject to the corporation franchise tax of \$125.

Proposed law suspends the initial franchise tax for small business corporations.

Proposed law applies only to taxable periods beginning between July 1, 2020, and June 30, 2021.

Proposed law supercedes and controls to the extent of any conflict between proposed law and the provisions of HCR 66 of the 2020 Regular Session.

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

(Adds R.S. 47:601.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to

the original bill

1. Adds provision superceding the provisions of HCR 66 of the 2020 Regular Session to the extent of any conflict.