

SENATE BILL NO. 6

BY SENATOR ALLAIN

1 AN ACT

2 To enact R.S. 47:601.1, relative to suspension of the initial corporation franchise tax and the  
3 corporation franchise tax on the first three hundred thousand dollars of taxable  
4 capital; to provide the applicable tax periods of the suspension; to provide for  
5 eligibility; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:601.1 is hereby enacted to read as follows:

8 **§601.1. Suspension of the corporate franchise tax applicable to small business**  
9 **corporations**

10 **A.(1) Notwithstanding any provision of law to the contrary, the state**  
11 **corporation franchise tax levied on corporations at the rate of one dollar and**  
12 **fifty cents for each one thousand dollars, or major fraction thereof, on the first**  
13 **three hundred thousand dollars of taxable capital pursuant to the provisions of**  
14 **R.S. 47:601(A) shall not apply to small business corporations for franchise**  
15 **taxable periods beginning between July 1, 2020, and June 30, 2021.**

16 **(2) Notwithstanding any provision of law to the contrary, the initial tax**  
17 **levied on corporations or other entities for the first accounting period in which**  
18 **the entity becomes subject to the corporation franchise tax pursuant to the**  
19 **provisions of R.S. 47:611(A) shall not apply to small business corporations for**  
20 **franchise taxable periods beginning between July 1, 2020, and June 30, 2021.**

21 **B. For purposes of this Section, "small business corporation" means a**  
22 **business that is exercising its charter, or qualified to do business or actually**  
23 **doing business in this state, or owning or using any part or all of its capital,**  
24 **plant, or any other property in this state, that is subject to the corporation**  
25 **franchise tax, and that has taxable capital of one million dollars or less.**

1           Section 2. The provisions of this Act shall supercede and control to the extent of any  
2           conflict between this Act and the provisions of House Concurrent Resolution No. 66 of the  
3           2020 Regular Session of the Legislature.

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

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_