
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Curry Lann.

DIGEST

SB 175 Original

2021 Regular Session

Allain

Present law levies the corporation franchise tax on domestic and foreign corporations exercising their charter, qualified to do business, or actually doing business in the state. Corporation franchise tax is also levied on any domestic or foreign corporation 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 eliminates the brackets of the corporation franchise tax and provides that no tax will be due on the first \$500,000 of taxable capital for all taxpayers.

Proposed law sets a single corporation franchise tax rate of \$3 per \$1,000 on taxable capital above \$500,000.

Effective for all taxable periods beginning on or after Jan. 1, 2022.

Present law temporarily suspends the franchise tax on the first \$300,000 of taxable capital for small business corporations between July 1, 2020, and June 30, 2021.

Proposed law repeals present law.

The repeal of present law suspension shall be effective on July 1, 2021.

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

(Amends R.S. 47:601(A) (intro para); repeals R.S. 47:601.1)