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## DIGEST

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HB 506 Original

2021 Regular Session

Beaulieu

**Abstract:** Increases the amount of the net operating loss deduction that may be claimed on returns filed for tax years beginning on or after Jan. 1, 2021, to 100% of the net operating loss carryovers for the taxable year.

Present law authorizes a deduction reducing La. net income in an amount equal to 72% of the net operating loss carryovers for the taxable year for all claims on any return filed on or after July 1, 2015, regardless of the taxable year to which the return relates. Present law prohibits the amount of the deduction from exceeding 72% of the La. net income of the taxpayer.

Proposed law increases the amount of the deduction for net operating losses for claims on any return for a taxable year beginning on or after Jan. 1, 2021, from 72% of the net operating loss carryovers for the taxable year to 100% of the net operating loss carryovers for the taxable year. Proposed law repeals the prohibition that the amount of the deduction can not exceed 72% of the La. net income of the taxpayer.

Present law authorizes a La. net loss to be carried over for 20 taxable years following the taxable year of the loss.

Proposed law retains present law.

Applicable to tax years beginning on or after Jan. 1, 2021.

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

(Amends R.S. 47:287.69 and 287.86(A))