

2021 Regular Session

SENATE BILL NO. 161

BY SENATOR ALLAIN

TAX/FRANCHISE/CORPORATE. Extends the termination date of the exemption from corporate franchise tax for small business corporations. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:601.1(A)(1), relative to the suspension of the corporation  
3 franchise tax on the first three hundred thousand dollars of taxable capital for small  
4 business corporations; to provide for the applicable tax periods of the suspension; to  
5 provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:601.1(A)(1) is hereby amended and reenacted 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 fifty  
12 cents for each one thousand dollars, or major fraction thereof, on the first three  
13 hundred thousand dollars of taxable capital pursuant to the provisions of R.S.  
14 47:601(A) shall not apply to small business corporations for franchise taxable  
15 periods beginning between July 1, 2020, and ~~June 30, 2021~~ **December 31, 2025**.

16 \* \* \*

17 Section 2. This Act shall become effective upon signature by the governor or, if not

1 signed by the governor, upon expiration of the time for bills to become law without signature  
2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
3 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
4 effective on the day following such approval.

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

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## DIGEST

SB 161 Engrossed

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Allain

Present law suspends the corporation franchise tax on the first \$300,000 of taxable capital for small business corporations.

Present 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.

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

Proposed law extends the suspension of the corporation franchise tax on the first \$300,000 of taxable capital for small business corporations for all franchise taxable periods beginning before Jan. 1, 2026.

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

(Amends R.S. 47:601.1(A)(1))