
DIGEST

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HB 246 Original

2023 Regular Session

DeVillier

Abstract: Phases-out corporation income taxes over five years beginning on Jan. 1, 2024.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation to be computed at the following rates:

- (1) 3.5% on the first \$50,000 of La. taxable income.
- (2) 5.5% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) 7.5% on La. taxable income above \$150,000.

Proposed law changes present law for taxable years beginning on or after Jan. 1, 2024, but before Jan. 1, 2025, by reducing the tax rates as follows:

- (1) From 3.5% to 1.85% on the first \$50,000 of La. taxable income
- (2) From 5.5% to 3.50% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) From 7.5% to 4.25% on La. taxable income above \$150,000.

Proposed law provides for the further reduction of corporation income tax rates beginning on or after Jan. 1, 2025, but before Jan. 1, 2026, as follows:

- (1) From 1.85% to 1.38% on the first \$50,000 of La. taxable income
- (2) From 3.50% to 2.62% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) From 4.25% to 3.18% on La. taxable income above \$150,000.

Proposed law provides for the further reduction of corporation income tax rates beginning on or after Jan. 1, 2026, but before Jan. 1, 2027, as follows:

- (1) From 1.38% to .92% on the first \$50,000 of La. taxable income
- (2) From 2.62% to 1.75% on La. taxable income above \$50,000 but not in excess of \$150,000.

(3) From 3.18% to 2.12% on La. taxable income above \$150,000.

Proposed law provides for the further reduction of corporate income tax rates beginning on or after Jan. 1, 2027, but before Jan. 1, 2028, as follows:

(1) From .92% to .46% on the first \$50,000 of La. taxable income

(2) From 1.75% to .87% on La. taxable income above \$50,000 but not in excess of \$150,000.

(3) From 2.12% to 1.06% on La. taxable income above \$150,000.

Proposed law prohibits tax from being assessed, levied, collected, or paid on the La. taxable income of any corporation for tax years beginning on or after Jan. 1, 2028.

Proposed law applies to corporate taxable years beginning on or after Jan. 1, 2024.

Effective Jan. 1, 2024.

(Amends R.S. 47:287.11(A) and 287.12)