

2023 Regular Session

HOUSE BILL NO. 437

BY REPRESENTATIVE NELSON

TAX/CORP INCOME: Provides for a flat rate for purposes of calculating the corporation income tax

1 AN ACT

2 To amend and reenact R.S. 47:287.12, relative to the corporation income tax; to provide for
3 the rate of the corporation income tax; to provide for applicability; to provide for an
4 effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:287.12 is hereby amended and reenacted to read as follows:

7 §287.12. Rates of tax

8 The tax to be assessed, levied, collected, and paid upon the Louisiana taxable
9 income of every corporation shall be computed at the rate of:

10 ~~(1) Three and one-half percent upon the first fifty thousand dollars of~~
11 ~~Louisiana taxable income.~~

12 ~~(2) Five and one-half percent on the amount of Louisiana taxable income~~
13 ~~above fifty thousand dollars but not in excess of one hundred fifty thousand dollars.~~

14 ~~(3) Seven and one-half five percent on the amount of Louisiana taxable~~
15 ~~income above one hundred fifty thousand dollars.~~

16 Section 2. The provisions of this Act shall apply to all taxable years beginning on
17 or after January 1, 2026.

18 Section 3. This Act shall become effective on January 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 437 Original

2023 Regular Session

Nelson

Abstract: Changes the corporation income tax from a graduated schedule of rates dependent on the taxable income of the taxpayer to a flat rate of 5%.

Present law requires a 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 all La. taxable income in excess of \$150,000.

Proposed law changes present law by deleting the graduated schedule of rates dependent on the amount of taxable income of the taxpayer and providing for a flat 5% corporation income tax rate.

Effective Jan. 1, 2026, and applicable to all taxable periods beginning on or after Jan. 1, 2026.

(Amends R.S. 47:287.12)