The original instrument was prepared by Leonore Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Danielle Clapinski.

DIGEST

SB 1 Engrossed | 2023 Regular Session | Allain

Present law levies a corporation franchise tax on domestic corporations and foreign corporations that exercise their charter, or are qualified to do business or actually do business in this state, or own or use any part or all of their capital, plant, or any other property in this state.

Proposed law phases-out the corporation franchise tax over a four-year period beginning franchise tax periods beginning on or after Jan. 1, 2025 with the franchise tax fully phased-out for franchise tax periods beginning on or after Jan. 1, 2028.

Proposed law clarifies that credits that were earned in a tax period prior to the repeal of the tax may continue to be used against that tax for any applicable period prior to the repeal of the tax.

Effective when the Act which originated as Senate Bill No. 6 of this 2023 Regular Session of the Legislature becomes effective.

(Amends R.S. 47:601(D)(2) and 1675(J); adds R.S. 47:601(E) and 1675(K))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Phases-out the franchise tax over a four-year period instead of repealing it.

2. Removes provisions of proposed law that disallow utilization of tax credits against franchise tax.

3. Changes effectiveness of proposed law to when the Act which originated as Senate Bill No. 6 of this 2023 Regular Session of the Legislature becomes effective.

4. Makes technical changes.