

---

## 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 428 Engrossed

2023 Regular Session

Pressly

**Abstract:** Extends to estates, trusts, and partnerships the flow-through entity income exclusion allowed to individuals and provides for conditions and requirements relative to the exclusion.

Present law provides for all of the following:

- (1) An election that authorizes Subchapter S corporations and other flow-through entities to file income tax returns and pay tax on their La. income as if they were Subchapter C corporations (R.S. 47:287.732.2).
- (2) An exclusion from taxable income for individual taxpayers for net income or losses received from a flow-through entity which properly filed a La. corporation income tax return that included the net income or loss (R.S. 47:297.14(A)).
- (3) A requirement that any individual taxpayer who utilizes the flow-through entity exclusion described in paragraph (2) above shall notify the Dept. of Revenue if changes are made to his federal income tax return due to adjustments to an S corporation's income or losses (R.S. 47:297.14(B)).

Proposed law retains present law and extends to estates, trusts, and partnerships the flow-through entity income exclusion described in paragraph (2) above that present law allows for individual taxpayers. Proposed law also requires estates, trusts, and partnerships to notify the Dept. of Revenue if changes are made to their federal income tax returns due to adjustments to an S corporation's income or losses in the same manner as required by present law for individual taxpayers as described in paragraph (3) above.

Proposed law is applicable for taxable periods beginning on or after Jan. 1, 2023.

(Adds R.S. 47:203(C), 300.6(B)(2)(e), and 300.7(C)(2)(d))