

**ACT No. 450**

2023 Regular Session

HOUSE BILL NO. 428

BY REPRESENTATIVE PRESSLY

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AN ACT

To amend and reenact R.S. 47:287.732.2(A)(3) and to enact R.S. 47:203(C), 287.732.2(A)(4)(c) and (d) and (G), 300.6(B)(2)(e), and 300.7(C)(2)(d), relative to state income tax; to provide relative to computation of income of estates, trusts, and partnerships subject to state income tax; to provide relative to income derived from flow-through entities; to provide for an exclusion of such income from the taxable income of estates, trusts, and partnerships subject to certain conditions; to provide for requirements and limitations associated with the exclusion; to provide for applicability; to provide for prospective termination of the election; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:287.732.2(A)(3) is hereby amended and reenacted and R.S. 47:203(C), 287.732.2(A)(4)(c) and (d) and (G), 300.6(B)(2)(e), and 300.7(C)(2)(d) are hereby enacted to read as follows:

§203. Partnership computations

\* \* \*

C.(1) In computing the taxable income of a partnership, the partnership shall exclude net income or losses received from an entity of which the partnership is a shareholder, partner, or member if the entity properly filed a Louisiana corporation income tax return pursuant to R.S. 47:287.732.2 which included the net income or loss. However, no such exclusion shall be allowed for any amount attributable to income that, for any reason, will not bear the tax due pursuant to R.S. 47:287.732.2.



1 prior to the close of the taxable year for calendar year filers or sixty days prior to the  
2 close of the taxable year for fiscal year filers.

3 (d) Upon the entity's completion of Items (c)(i) and (ii) of this Paragraph and  
4 the automatic effectiveness of the election's termination, no election otherwise  
5 allowed by this Section shall apply for the succeeding five taxable years of the entity  
6 or its successor.

7 \* \* \*

8 G. The secretary may promulgate rules necessary for administering the  
9 provisions of this Section in accordance with the provisions of the Administrative  
10 Procedure Act.

11 \* \* \*

12 §300.6. Louisiana taxable income of resident estate or trust

13 \* \* \*

14 B. Modification. For purposes of this Section, federal taxable income shall  
15 be modified by adding or subtracting the items set forth below:

16 \* \* \*

17 (2) There shall be subtracted from federal taxable income, unless already  
18 excluded therefrom:

19 \* \* \*

20 (e)(i) Net income or losses received from an entity of which the estate or  
21 trust is a shareholder, partner, or member if the entity properly filed a Louisiana  
22 corporation income tax return pursuant to R.S. 47:287.732.2 which included the net  
23 income or loss. However, no such exclusion shall be allowed for any amount  
24 attributable to income that, for any reason, will not bear the tax due pursuant to R.S.  
25 47:287.732.2.

26 (ii)(aa) An estate or trust whose federal income tax return is adjusted due to  
27 S corporation or partnership income or losses for which the estate or trust used the  
28 exclusion provided in Item (i) of this Subparagraph shall furnish a statement to the  
29 secretary disclosing the nature and amounts of such adjustments within sixty days  
30 after the federal adjustments have been made and accepted by the estate or trust.

1           However, if the estate or trust does not receive a statement of the federal adjustments  
2           until after it accepts the adjustments, it shall have sixty days from the receipt of such  
3           statement within which to furnish the required statement to the secretary.

4                   (bb) For purposes of Subitem (aa) of this Item, paying the federal tax shown  
5                   due or signing a consent to immediate assessment shall constitute an acceptance of  
6                   the federal adjustments.

7           §300.7. Louisiana taxable income of nonresident estate or trust

8   \*           \*           \*

9                   C. Modification. For purposes of this Section, federal taxable income shall  
10                  be modified by adding or subtracting the items set forth below:

11   \*           \*           \*

12                   (2) There shall be subtracted from federal taxable income, unless already  
13                  excluded therefrom:

14   \*           \*           \*

15                   (d)(i) Net income or losses received from an entity of which the estate or  
16                   trust is a shareholder, partner, or member if the entity properly filed a Louisiana  
17                   corporation income tax return pursuant to R.S. 47:287.732.2 which included the net  
18                   income or loss. However, no such exclusion shall be allowed for any amount  
19                   attributable to income that, for any reason, will not bear the tax due pursuant to R.S.  
20                   47:287.732.2.

21                   (ii)(aa) An estate or trust whose federal income tax return is adjusted due to  
22                   S corporation or partnership income or losses for which the estate or trust used the  
23                   exclusion provided in Item (i) of this Subparagraph shall furnish a statement to the  
24                   secretary disclosing the nature and amounts of such adjustments within sixty days  
25                   after the federal adjustments have been made and accepted by the estate or trust.  
26                   However, if the estate or trust does not receive a statement of the federal adjustments  
27                   until after it accepts the adjustments, it shall have sixty days from the receipt of such  
28                   statement within which to furnish the required statement to the secretary.

1                    (bb) For purposes of Subitem (aa) of this Item, paying the federal tax shown  
2                    due or signing a consent to immediate assessment shall constitute an acceptance of  
3                    the federal adjustments.

4                    Section 2. The provisions of this Act shall be applicable for taxable periods  
5                    beginning on or after January 1, 2023.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_