

2026 Regular Session

HOUSE BILL NO. 633

BY REPRESENTATIVE BACALA

1 AN ACT

2 To amend and reenact R.S. 47:118(B), (C)(1), (D)(introductory paragraph), (1)(introductory  
3 paragraph) and (b), and (2), 287.655(C)(1), (D)(2) and (3), and (G)(introductory  
4 paragraph) and (1), and 287.656(A)(1) and (2)(introductory paragraph) and to repeal  
5 R.S. 47:118(D)(1)(c), relative to estimated income tax; to calculate the period of  
6 underpayment; to assess penalties for an excessive adjustment; to modify  
7 requirements to apply for an adjustment for overpayment; to repeal certain  
8 calculations for exemptions from a penalty for an underpayment; to provide for  
9 applicability; to provide an effective date; and to provide for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:118(B), (C)(1), (D)(introductory paragraph), (1)(introductory  
12 paragraph) and (b), and (2), 287.655(C)(1), (D)(2) and (3), and (G)(introductory paragraph)  
13 and (1), and 287.656(A)(1) and (2)(introductory paragraph) are hereby amended and  
14 reenacted to read as follows:

15 §118. Failure by individual to pay estimated income tax; penalty

16 \* \* \*

17 B. Amount of underpayment. (1) For purposes of Subsection A, the amount  
18 of the underpayment shall be the excess of:





1 (1) The ~~15th~~ fifteenth day of the ~~fourth~~ fifth month following the close of the  
2 taxable year.

3 \* \* \*

4 D. Exception. Notwithstanding the provisions of the preceding Subsections,  
5 the penalty ~~imposed~~ with respect to any underpayment of any installment shall not  
6 be imposed if the total amount of all payments of estimated tax made on or before  
7 the last date prescribed for payment of ~~such~~ the installment equals or exceeds the  
8 amount which would have been required to be paid on or before ~~such~~ that date, if the  
9 estimated tax were ~~whichever of the following is the lesser:~~ the lesser of any of the  
10 following:

11 \* \* \*

12 (2) An amount equal to the tax computed at the ~~rates~~ rate applicable to the  
13 taxable year but otherwise on the basis of the acts shown on the return of the  
14 corporation for, and the law applicable to, the preceding taxable year.

15 (3)~~(a)~~ An amount equal to eighty percent of the tax for the taxable year, on  
16 the basis of the actual taxable income for the months in the taxable year ending  
17 before the month in which the installment is required to be paid. ~~computed by~~  
18 ~~placing on an annualized basis the taxable income:~~

19 ~~(i) for the first three months of the taxable year, in the case of the installment~~  
20 ~~required to be paid in the fourth month,~~

21 ~~(ii) for the first three months or for the first six months of the taxable year,~~  
22 ~~in the case of the installment required to be paid in the sixth month of the taxable~~  
23 ~~year,~~

24 ~~(iii) for the first six months or the first eight months of the taxable year in the~~  
25 ~~case of the installment required to be paid in the ninth month, and~~

26 ~~(iv) for the first nine months or for the first eleven months of the taxable~~  
27 ~~year, in the case of the installment to be paid in the twelfth month of the taxable year.~~

28 ~~(b) For purposes of this Paragraph, the taxable income shall be placed on an~~  
29 ~~annualized basis by~~

1                   ~~(i) multiplying by twelve the taxable income referred to in Subparagraph (a),~~  
 2                   and  
 3                   ~~(ii) dividing the resulting amount by the number of months in the taxable~~  
 4                   ~~year (3, 5, 6, 8, 9, or 11, as the case may be) referred to in Subparagraph (a).~~

\* \* \*

G. Excessive adjustment under pursuant to R.S. 47:287.656.

7                   (1) Addition to tax. If the amount of an adjustment under pursuant to R.S.  
 8                   47:287.656 made before the fifteenth day of the ~~fourth~~ fifth month following the  
 9                   close of the taxable year is excessive there shall be added to the tax under pursuant  
 10                   to this Part for the taxable year a penalty of twelve percent per annum upon the  
 11                   excessive amount from the date on which the credit is allowed or the refund is paid  
 12                   to ~~such~~ the fifteenth day of the fifth month.

\* \* \*

§287.656. Adjustment of overpayment of estimated income tax by corporation

A. Application of adjustment.

16                   (1) Time for filing. A corporation may, after the close of the taxable year  
 17                   and on or before the fifteenth day of the ~~fourth~~ fifth month thereafter, and before the  
 18                   day on which it files a return for ~~such~~ the taxable year, file an application for an  
 19                   adjustment of an overpayment by it of estimated income tax for ~~such~~ the taxable  
 20                   year. An application under pursuant to this Subsection shall not constitute a claim  
 21                   for credit or refund.

22                   (2) Form of application. An application under this Subsection shall be  
 23                   verified in the manner prescribed in the case of a return of the taxpayer and shall be  
 24                   filed in the manner and form prescribed by the secretary ~~of revenue and taxation.~~

The application shall set forth:

\* \* \*

Section 2. R.S. 47:118(D)(1)(c) is hereby repealed in its entirety.

28                   Section 3. The provisions of this Act shall be applicable to income tax periods  
 29                   beginning on or after January 1, 2026.

1           Section 4. This Act shall become effective upon signature by the governor or, if not  
2 signed by the governor, upon expiration of the time for bills to become law without signature  
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
5 effective on the day following such approval.

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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: \_\_\_\_\_