

Regular Session, 2013

HOUSE BILL NO. 178

BY REPRESENTATIVE TALBOT

TAX/INCOME TAX: Repeals corporation income and franchise taxes

1 AN ACT

2 To amend and reenact R.S. 47:31(introductory paragraph) and to repeal R.S. 47:31(3),  
3 32(C), Part II-A of Chapter 1 of Subtitle II of Title 47 of the Louisiana Revised  
4 Statutes of 1950, comprised of R.S. 47:287.2 through 287.785, and Chapter 5 of  
5 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S.  
6 47:601 through 618, relative to taxes imposed on corporations; to repeal corporation  
7 income and franchise taxes; and to provide for the effective date and applicability of  
8 such repeal.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:31(introductory paragraph) is hereby amended and reenacted to  
11 read as follows:

12 §31. Individuals, corporations and trusts subject to tax

13 There shall be levied, collected, and paid for each taxable year a tax upon the  
14 net income of residents and nonresidents, estates, and trusts ~~and corporations~~, as  
15 hereinafter provided.

16 \* \* \*

17 Section 2. R.S. 47:31(3), 32(C), Part II-A of Chapter 1 of Subtitle II of Title 47 of  
18 the Louisiana Revised Statutes of 1950, comprised of R.S. 47:287.2 through 287.785, and  
19 Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised of  
20 R.S. 47:601 through 618, are hereby repealed in their entirety.

1           Section 3. This Act shall become effective on January 1, 2014, and shall be  
2 applicable to all tax years beginning on and after January 1, 2014.

---

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)]

---

Talbot

HB No. 178

**Abstract:** Beginning Jan. 1, 2014, repeals corporation income and franchise taxes.

Present law provides a system for the imposition of corporation income tax, including tax levy, rates, credits, computation, methods of accounting, exemptions, administrative provisions, due dates, and payments. Present law, more specifically, provides that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation shall be computed at the following rates:

- (1) 4% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 6% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 7% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) 8% on all La. taxable income in excess of \$200,000.

Proposed law repeals the entire system of present law relative to corporation income tax.

Present law provides for the imposition of corporation franchise tax which requires every domestic corporation and every foreign corporation, exercising its charter, or qualified to do business or actually doing business in this state, or owning or using any part or all of its capital, plant, or any other property in this state, to pay an annual tax at the rate of \$1.50 for each \$1,000 on the first \$300,000 of taxable capital and \$3 for each \$1,000 which exceeds \$300,000 of taxable capital. Present law defines "taxable capital", "capital stock", and "surplus and undivided profits" for purposes of the corporation franchise tax, provides for a formula for the allocation of taxable capital, provides for exemptions, and provides for the due date, payment, and reporting of the tax.

Proposed law repeals present law relative to the imposition of a corporation franchise tax.

Effective Jan. 1, 2014, and applicable to all tax years beginning on and after Jan, 1, 2014.

(Amends R.S. 47:31(intro. para.); Repeals R.S. 47:31(3), 32(C), 287.2-287.785, and 601-618)