
DIGEST

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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)