HLS 13RS-824 ORIGINAL

Regular Session, 2013

HOUSE BILL NO. 379

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BY REPRESENTATIVE RITCHIE

TAX/CORP FRANCHISE: Repeals the corporation franchise tax and provisions relative to determining "taxable capital" for purposes of levying the tax

AN ACT

2 To repeal Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, 3 comprised of R.S. 47:601 through 618, to repeal the corporation franchise tax and 4 provisions relative to determining taxable capital for purposes of levying the tax, 5 exemptions, refunds, and credits from the tax and provisions relative to the payment, 6 collection, and reporting of such tax. 7 Be it enacted by the Legislature of Louisiana: 8 Section 1. Chapter 5 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 9 1950, comprised of R.S. 47:601 through 618, is hereby repealed in its entirety. 10 Section 2. This Act shall become effective on January 1, 2014, and shall be 11 applicable to all taxable periods beginning on and after such date; if vetoed by the governor 12 and subsequently approved by the legislature, this Act shall become effective on January 1, 13 2014, or on the day following such approval by the legislature, whichever is later.

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)]

Ritchie HB No. 379

Abstract: Repeals the corporation franchise tax and all provisions relative to determining taxable capital, capital stock, and surplus and undivided profits for purposes of levying the tax, exemptions, refunds, and credits from the tax, and provisions relative to the payment, collection, and reporting of such tax.

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<u>Present law</u> 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 at the rate of \$3 for each \$1,000 exceeding \$300,000 of taxable capital.

<u>Present law</u> defines "taxable capital", "capital stock", and "surplus and undivided profits" for purposes of levying the tax. Further provides for a general allocation formula relative to allocation of taxable capital and for certain exemptions from the tax.

<u>Present law</u> provides for payment, collection, and reporting of the corporation franchise tax as well as refunds and credits for overpayments of such tax.

Proposed law repeals present law.

Effective Jan. 1, 2014, and shall be applicable to all taxable periods beginning on and after Jan. 1, 2014.

(Repeals R.S. 47:601-618)