

Regular Session, 2013

HOUSE BILL NO. 441

BY REPRESENTATIVE ROBIDEAUX

TAX/CORP INCOME: Repeals corporate income and corporation franchise taxes

1 AN ACT

2 To amend and reenact R.S. 47:31, 103(A), 120.31(A)(1)(introductory paragraph), and 241  
3 and to repeal R.S. 47:32(C), 287.2, 287.11, 287.12, and 601, relative to corporate  
4 income and franchise taxes; to repeal the corporate income and franchise taxes; to  
5 provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:31, 103(A), 120.31(A)(1)(introductory paragraph), and 241 are  
8 hereby amended and reenacted to read as follows:

9 §31. Individuals, ~~corporations~~ and trusts subject to tax

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

13 (1) Resident individuals. Every person residing within the state, or the  
14 personal representative in the event of death, shall pay a tax on net income from  
15 whatever source derived, except as hereinafter exempted.

16 Every natural person domiciled in the state, and every other natural person  
17 who maintains a permanent place of abode within the state or who spends in the  
18 aggregate more than six months of the taxable year within the state, shall be deemed  
19 to be a resident of this state for the purpose of determining liability for income taxes  
20 under this Chapter.

1 (2) Nonresident individuals. Every nonresident shall pay a tax upon such net  
 2 income as is derived from property located, or from services rendered, or from  
 3 business transacted within the state, or from sources within the state, except as  
 4 hereinafter exempted.

5 ~~(3) Corporations. Corporations shall be taxed on net income from sources~~  
 6 ~~within the state, as hereinafter set out.~~

7 ~~(4) Domestic real estate investment trusts. Trusts shall be taxed on net~~  
 8 ~~income from whatever source derived, except as otherwise exempted.~~

9 ~~(5) Foreign real estate investment trusts. Foreign real estate investment~~  
 10 ~~trusts shall be taxed on net income from sources within the state, as hereinafter set~~  
 11 ~~out.~~

12 ~~C. On corporations. The tax to be assessed, levied, collected, and~~  
 13 ~~paid upon the net income of every corporation shall be computed at the rate~~  
 14 ~~of:~~

15 ~~(1) Four percentum upon the first twenty-five thousand dollars of net~~  
 16 ~~income.~~

17 ~~(2) Five percentum upon the amount of net income above twenty-five~~  
 18 ~~thousand dollars but not in excess of fifty thousand dollars.~~

19 ~~(3) Six percentum on the amount of net income above fifty thousand dollars~~  
 20 ~~but not in excess of one hundred thousand dollars.~~

21 ~~(4) Seven percentum on the amount of net income above one hundred~~  
 22 ~~thousand dollars but not in excess of two hundred thousand dollars.~~

23 ~~(5) Eight percentum on all net income in excess of two hundred thousand~~  
 24 ~~dollars.~~

25 \* \* \*

26 §103. Time and place for filing returns; information concerning federal return

27 A. ~~Time and place for filing returns. (1) Corporation income tax returns.~~  
 28 ~~Returns for corporations on the basis of the calendar year shall be made and filed~~  
 29 ~~with the secretary at Baton Rouge, Louisiana, on or before the fifteenth day of April,~~

1 following the close of the calendar year. Returns for corporations made on the basis  
2 of a fiscal year shall be made and filed with the secretary at Baton Rouge, Louisiana,  
3 on or before the fifteenth day of the fourth month following the close of the fiscal  
4 year.

5 ~~(2) Other income tax returns.~~ Returns other than corporation returns made  
6 on the basis of the calendar year shall be made and filed with the secretary at Baton  
7 Rouge, Louisiana, on or before the fifteenth day of May, following the close of the  
8 calendar year. Returns other than corporation returns made on the basis of a fiscal  
9 year shall be made and filed with the secretary at Baton Rouge, Louisiana, on or  
10 before the fifteenth day of the fifth month following the close of the fiscal year.

11 ~~(3) In the event that the date on which returns shall be filed falls on Saturday,~~  
12 ~~Sunday, or a legal holiday, the return shall be made and filed on the next business~~  
13 ~~day.~~

14 \* \* \*

15 §120.31. Individual ~~and corporate~~ tax checkoffs for donations to the Louisiana  
16 Military Family Assistance Fund

17 A.(1) For tax years beginning on and after January 1, 2005, every individual  
18 ~~and corporation~~ that files an individual income tax return ~~or a corporate income or~~  
19 ~~franchise tax return~~ is authorized to do any of the following:

20 \* \* \*

21 SUBPART F. NONRESIDENT INDIVIDUALS  
22 ~~AND CORPORATIONS~~

23 §241. Net income subject to tax

24 The net income of a nonresident individual ~~or a corporation~~ subject to the tax  
25 imposed by this Chapter shall be the sum of the net allocable income earned within  
26 or derived from sources within this state, as defined in R.S. 47:243, and the net  
27 apportionable income derived from sources in this state, as defined in R.S. 47:244,  
28 less the amount of federal income taxes attributable to the net allocable income and  
29 net apportionable income derived from sources in this state. The amount of federal

1 income taxes to be so deducted shall be that portion of the total federal income tax  
2 which is levied with respect to the particular income derived from sources in this  
3 state to be computed in accordance with rules and regulations of the ~~collector~~  
4 secretary of revenue. Proper adjustment shall be made for the actual tax rates  
5 applying to different classes of income and for all differences in the computation of  
6 net income for purposes of federal income taxation as compared to the computation  
7 of net income under this Chapter. Where the allocation of the tax is to be based on  
8 a ratio of the amount of net income of a particular class, both the numerator and the  
9 denominator of the fraction used in determining the ratio shall be computed on the  
10 basis that such net income is determined for federal income tax purposes.

11 Section 2. R.S. 47:32(C), 287.2, 287.11, 287.12, and 601 are hereby repealed in their  
12 entirety.

13 Section 3. This Act shall take effect on January 1, 2014.

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#### 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)]

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Robideaux

HB No. 441

**Abstract:** Repeals the levy and imposition of the corporate income and corporation franchise taxes.

Present law 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 present law.

Present law 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.

Present law 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.

Proposed law repeals present law.

Effective Jan. 1, 2014.

(Amends R.S. 47:31, 103(A), 120.31(A)(1)(intro. para.), and 241; Repeals R.S. 47:32(C), 287.2, 287.11, 287.12, and 601)