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## DIGEST

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Richard

HB No. 680

**Abstract:** Exempts the first \$200,000 of La. taxable income from corporation income tax and repeals the corporation franchise tax.

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 changes present law by exempting the first \$200,000 of La. taxable income from corporation income tax. Proposed law retains the 8% rate for all La. taxable income in excess of \$200,000.

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 on Jan. 1, 2014, for corporation income tax years beginning on and after Jan. 1, 2014, and all corporation franchise tax years beginning on and after Jan. 1, 2015.

(Amends R.S. 47:32(C) and 287.12; Repeals R.S. 47:601-618)

