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## DIGEST

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HB 506 Engrossed

2015 Regular Session

James

**Abstract:** Establishes a pilot program for the use of combined unitary reporting for purposes of La. corporation income tax and the method for determination of income subject to the tax.

Present law levies a tax on corporations at the following rates:

- (1) 4% of the first \$25,000 of La. taxable income.
- (2) 5% of the amount of La. taxable income above \$25,000 and less than \$50,000
- (3) 6% of the amount of La. taxable income above \$50,000 and less than \$100,000
- (4) 7% of the amount of La. taxable income above \$100,000 and less than \$200,000
- (5) 8% on all La. taxable income above \$200,000

Proposed law establishes a pilot program for the use of the combined unitary reporting method for determination of income subject to the tax.

Proposed law requires the filing of informational returns by certain corporate entities to include specific information regarding income of the members of the combined group.

Proposed law provides for the various methods of determining the apportionable income of corporations and certain groups of corporations.

Proposed law requires the secretary of the Dept. of Revenue to prepare a report of findings based on the pilot program, and to provide the report to the House Committee on Ways and Means and Senate Committee on Revenue and Fiscal Affairs no later than 60 days before the 2017 R.S.

Applicable to taxable periods beginning on Jan. 1, 2015, and Jan. 1, 2016.

(Adds R.S. 47:297.733(C))

## Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Change the period of time for the pilot program from tax periods beginning on or after Jan. 1, 2016, to tax periods beginning on Jan. 1, 2015, and Jan. 1, 2016.
2. Add a requirement for the secretary of the Dept. of Revenue to prepare a report of findings based on the pilot program, and to provide the report to the House Committee on Ways and Means and Senate Committee on Revenue and Fiscal Affairs no later than 60 days before the 2017 R.S.