

2015 Regular Session

SENATE BILL NO. 181

BY SENATOR ADLEY

TAX/INCOME/PERSONAL. Repeals an income tax deduction for the net capital gains on the sale of a nonpublicly traded business commercially domiciled in Louisiana. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:293(10) and to repeal R.S. 47:293(9)(a)(xvii), relative to
3 income tax deductions; to repeal a deduction from tax table income for net capital
4 gains from certain sales or exchanges; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:293(10) is hereby amended and reenacted to read as follows:

7 §293. Definitions

8 The following definitions shall apply throughout this Part, unless the context
9 requires otherwise:

10 * * *

11 (10) "Tax table income", for nonresident individuals, means the amount of
12 Louisiana income, as provided in this Part, allocated and apportioned under the
13 provisions of R.S. 47:241 through 247, plus the total amount of the personal
14 exemptions and deductions already included in the tax tables promulgated by the
15 secretary under authority of R.S. 47:295, less the proportionate amount of the federal
16 income tax liability, excess federal itemized personal deductions, the temporary
17 teacher deduction, the recreation volunteer and volunteer firefighter deduction, the

1 construction code retrofitting deduction, any gratuitous grant, loan, or other benefit
 2 directly or indirectly provided to a taxpayer by a hurricane recovery entity if such
 3 benefit was included in federal adjusted gross income, the exclusion provided for in
 4 R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by
 5 I.R.C. Section 280C, ~~the deduction for net capital gains~~, and personal exemptions
 6 and deductions provided for in R.S. 47:294. The proportionate amount is to be
 7 determined by the ratio of Louisiana income to federal adjusted gross income. When
 8 federal adjusted gross income is less than Louisiana income, the ratio shall be one
 9 hundred percent.

10 * * *

11 Section 2. R.S. 47:293(9)(a)(xvii) is hereby repealed.

12 Section 3. The provisions of this Act shall be applicable to all tax years beginning
 13 on and after January 1, 2015.

14 Section 4. This Act shall become effective upon signature by the governor or, if not
 15 signed by the governor, upon expiration of the time for bills to become law without signature
 16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 17 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 18 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

SB 181 Engrossed

2015 Regular Session

Adley

Present law authorizes a deduction from tax table income for individual income tax purposes for income from net capital gains recognized and treated for federal income tax purposes as arising from the sale or exchange of an equity interest in or substantially all of the assets of a nonpublicly traded corporation, partnership, limited liability company, or other business organization commercially domiciled in this state.

Proposed law repeals present law.

Applicable to all tax years beginning on and after January 1, 2015.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:293(10); repeals R.S. 47:293(9)(a)(xvii))