
DIGEST

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HB 828 Reengrossed

2015 Regular Session

Henry

Abstract: Provides for the phasing-out of the corporation franchise tax over a period of 5 years.

Present law (R.S. 47:601 et seq.) establishes the corporation franchise tax. Such tax is levied on every domestic and foreign corporation exercising its charter, qualified to do business, or actually doing business in La. It is also levied on any domestic or foreign corporation owning or using any part of its capital, plant, or other property in Louisiana. Proposed law phases out present law, as more fully explained below.

Present law provides that the tax shall be levied at the following rates:

- (1) \$1.50 per \$1,000 of taxable capital, up to \$300,000.
- (2) \$3.00 per \$1,000 of taxable capital above \$300,001.

Proposed law retains present law but provides that the amount levied under present law shall be reduced by a cumulative 20% each year beginning Jan. 1, 2016, over the next 5 years until the amount levied is eliminated. Proposed law further provides that in taxable years beginning on or after Jan. 1, 2020, no corporation franchise tax shall be assessed or paid.

Effective if and when the Act that originated as House Bill No. 629 of 2015 R.S. is enacted and becomes effective.

(Amends R.S. 47:601)

Summary of Amendments Adopted by House

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

1. Change the beginning date of the phase-out from Jan. 1, 2015 to Jan. 1, 2016 so that beginning on Jan. 1, 2020, no corporation franchise tax will be assessed.

The House Floor Amendments to the engrossed bill:

1. Change the effective date from upon signature of the governor to if and when the Act that originated as House Bill No. 629 of 2015 R.S. is enacted and becomes effective.