

2016 First Extraordinary Session

HOUSE BILL NO. 36

BY REPRESENTATIVE JAY MORRIS

TAX/CORP INCOME: Reduces the rates and modifies the brackets for purposes of calculating corporate income tax liability (Item #3)

1 AN ACT

2 To amend and reenact R.S. 47:287.12, relative to corporation income tax; to modify the rates  
3 and brackets of the corporation income tax; to provide for applicability; to provide  
4 for effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:287.12 is hereby amended and reenacted to read as follows:

7 §287.12. Rates of tax

8 The tax to be assessed, levied, collected, and paid upon the Louisiana taxable  
9 income of every corporation shall be computed at the rate of:

10 (1) ~~Four~~ Three percent upon the first ~~twenty-five~~ fifty thousand dollars of  
11 Louisiana taxable income.

12 (2) ~~Five~~ Four percent upon the amount of Louisiana taxable income above  
13 ~~twenty-five~~ fifty thousand dollars but not in excess of ~~fifty~~ one hundred thousand  
14 dollars.

15 (3) ~~Six~~ Five percent on the amount of Louisiana taxable income above ~~fifty~~  
16 one hundred thousand dollars but not in excess of ~~one hundred~~ two hundred thousand  
17 dollars.

18 (4) ~~Seven~~ Six percent on the amount of Louisiana taxable income ~~above one~~  
19 ~~hundred thousand dollars but not in excess of two hundred~~ in excess of two hundred  
20 thousand dollars.

1           ~~(5) Eight percent on all Louisiana taxable income in excess of two hundred~~  
2           ~~thousand dollars.~~

3           Section 2. Provisions of this Act shall become effective on January 1, 2017, and  
4 shall be applicable to all tax years beginning on and after January 1, 2017.

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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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HB 36 Original

2016 First Extraordinary Session

Jay Morris

**Abstract:** Modifies the rates and brackets for purposes of calculating corporation income tax liability.

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 rates and brackets for the tax on the taxable income of corporations to the following:

- (1) 3% on the first \$50,000 of La. taxable income.
- (2) 4% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (3) 5% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (4) 6% on La. taxable income in excess of \$200,000.

Effective Jan. 1, 2017, and applicable to all tax years beginning on and after that date.

(Amends R.S. 47:287.12)