

2016 First Extraordinary Session

HOUSE BILL NO. 20

BY REPRESENTATIVE BROADWATER

TAX/CORP INCOME: Provides relative to the net operating loss deduction for corporate income tax (Item #5)

1 AN ACT

2 To amend and reenact R.S. 47:287.86(A), relative to the net operating loss deduction for
3 corporate income tax; to limit the amount of the deduction; to provide for
4 applicability; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:287.86(A) is hereby amended and reenacted to read as follows:

7 §287.86. Net operating loss deduction

8 A. Deduction from Louisiana net income. Except as otherwise provided, for
9 all claims for this deduction on any return filed on or after July 1, 2015, regardless
10 of the taxable year to which the return relates, there shall be allowed for the taxable
11 year ~~an adjustment~~ a deduction reducing Louisiana net income in an amount equal
12 to seventy-two percent of the net operating loss carryovers to such year, but the
13 deduction shall never exceed seventy-two percent of Louisiana net income.

14 * * *

15 Section 2. Any deduction for net operating loss authorized by Section (5)(C) of Act
16 No. 123 of the 2015 Regular Session shall be allowed in addition to the net operating loss
17 deductions authorized by Section 1 of this Act.

18 Section 3. The provisions of Section 3 of Act No. 123 amending R.S.
19 47:287.86(A)(introductory paragraph) are hereby repealed in their entirety.

20 Section 4. The provisions of this Act shall become effective January 1, 2016.

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)]

HB 20 Engrossed

2016 First Extraordinary Session

Broadwater

Abstract: Prohibits the amount of the net operating loss (NOL) deduction from exceeding 72% of La. net income.

Present law provides for a deduction from corporate income tax for 72% of the amount of net operating loss incurred in La.

Proposed law retains present law but prohibits the amount of the deduction from exceeding 72% of the value of La. net income.

Effective Jan. 1, 2016.

(Amends R.S. 47:287.86(A))