

2016 First Extraordinary Session

HOUSE BILL NO. 103

BY REPRESENTATIVE IVEY

TAX/CORP INCOME: Provides relative to the rate of corporate income tax (Items #3 and 19)

1 AN ACT

2 To amend and reenact R.S. 47:287.12, relative to corporation income tax; to provide relative
3 to the rate of the corporation income tax; to provide for a flat tax rate; to provide for
4 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: six and one-half
10 percent of Louisiana taxable income.

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

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

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

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

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

1 Section 2. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

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 103 Engrossed

2016 First Extraordinary Session

Ivey

Abstract: Provides for a flat 6.5% tax rate on corporate income.

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 eliminates the tiered tax rate schedule in favor of a flat 6.5% tax rate on La. taxable corporate income.

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

(Amends R.S. 47:287.12)

Summary of Amendments Adopted by House

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

1. Change the corporate income tax rate from 5% to 6.5%.