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HOUSE FLOOR AMENDMENTS

2016 First Extraordinary Session

Amendments proposed by Representatives James and Stokes to Engrossed House Bill No. 19 by Representative James

1 AMENDMENT NO. 1

2 On page 1, line 2, after "reenact" delete the remainder of the line and insert "R.S. 12:1368
3 and R.S. 47:601(A)(3) and (C)(1), 602(G), and 611 and to enact R.S. 47:601(C)(3) and
4 602(H), relative to corporate franchise tax; to"

5 AMENDMENT NO. 2

6 On page 1, at the beginning of line 4, insert "to provide for certain deductions for taxable
7 capital; to provide for initial payment of the franchise tax;"

8 AMENDMENT NO. 3

9 On page 1, between lines 5 and 6, insert the following:

10 "Section 1. R.S. 12:1368 is hereby amended and reenacted to read as
11 follows:

12 §1368. Taxation

13 A limited liability company created under this Chapter or entering the state
14 pursuant to this Chapter shall pay such taxes as are imposed by the laws of this state
15 or any political subdivision thereof on domestic and foreign limited partnerships on
16 an identical basis therewith. ~~However, for~~ For state income and franchise tax
17 purposes, a limited liability company shall be treated and taxed in the same manner
18 that it is treated and taxed for federal income tax purposes."

19 AMENDMENT NO. 4

20 On page 1, at the beginning of line 6, change "Section 1." to "Section 2." and after "(C)(1)"
21 delete the remainder of the line and insert ", 602(G), and 611 are hereby amended and
22 reenacted and R.S. 47:601(C)(3) and 602(H) are hereby enacted to read"

23 AMENDMENT NO. 5

24 On page 2, line 10, after "corporations" and before "for" insert "pursuant to 26 U.S.C.
25 Subtitle A, Chapter 1, Subchapter C"

26 AMENDMENT NO. 6

27 On page 2, at the end of line 11, insert "Such entities shall be treated and taxed in the same
28 manner that such entities are treated and taxed for federal income tax purposes."

29 AMENDMENT NO. 7

30 On page 2, delete lines 13 and 14 and insert the following:

1 "(3) For purposes of this Chapter, "corporation" shall mean a domestic
2 corporation or foreign corporation as provided for in this Section.

3 * * *

4 §602. Determination of taxable capital

5 * * *

6 G. Holding company deduction

7 (1) Any corporation, as defined in R.S. 47:601(C), that is subject to the
8 franchise tax imposed by R.S. 47:601(A) and that is not subject to R.S. 47:602(B),
9 (C), (D), (E), or (F), that has one or more subsidiaries as defined hereinbelow, shall
10 be entitled to deduct from its taxable capital, as defined in this Chapter, its
11 investments in and advances to one or more subsidiaries, whether made directly or
12 indirectly, in computing its franchise tax as provided herein.

13 (2) For purposes of this Subsection, "subsidiaries" shall be defined as any
14 corporation, as provided for in R.S. 47:601(C), that is subject to the franchise tax
15 imposed by R.S. 47:601(A), and in which at least eighty percent of the voting and
16 nonvoting power of all classes of their stock, membership, partnership, or other
17 ownership interests are owned, directly or indirectly, by a corporation subject to the
18 franchise tax imposed by R.S. 47:601(A).

19 (3) The amount of the deductions allowed by this Subsection shall be the
20 sum of the amounts determined by multiplying the parent corporation's investments
21 in and advances to each subsidiary by each subsidiary's average ratio, as determined
22 pursuant to R.S. 47:606.

23 (4) Any direct or indirect subsidiary of a regulated company, as provided for
24 in R.S. 47:602(C), that directly owns at least eighty percent of the voting power of
25 the stock, membership, partnership, or other ownership interests in a "public-utility
26 company", as defined by the Public Utility Holding Company Act of 1935 prior to
27 its repeal, may use the holding corporation deduction provided in this Subsection
28 with respect to investments in and advances to subsidiary corporations or subsidiary
29 limited liability companies to calculate its taxable capital.

30 (H) The deduction for "investments in and advances to" as provided for in
31 this Section shall only include amounts included in the taxable capital of the
32 recipient.

33 * * *

34 §611. Newly taxable corporation

35 A. Every corporation or other entity subject to the franchise tax shall pay only
36 an initial tax of one-hundred and ten dollars in the first accounting period or fraction
37 thereof in which it becomes subject to the tax levied herein. The tax is first due
38 immediately on the corporation's becoming taxable under this Chapter and is payable
39 on or before the fifteenth day of the third month after the month in which the tax is
40 due. After the first closing of the corporate books, the tax is payable as provided in
41 R.S. 47:609, subject to the minimum tax as provided in this Subsection.

42 B. Notwithstanding the provisions of this Section, the initial tax of an entity
43 in existence and actually conducting business in Louisiana during its previous
44 calendar or fiscal year shall be calculated pursuant to R.S. 47:609, based on its
45 corporate books on the first day of the calendar or fiscal year in which the tax levied
46 under this Chapter becomes due and shall be payable on or before the date otherwise
47 required by this Section.

1 Section 3. The provisions of this Act shall be applicable to taxable periods
2 beginning on or after January 1, 2016."

3 AMENDMENT NO. 8

4 On page 2, at the beginning of line 15, change "Section 3." to "Section 4."
5

6 AMENDMENT NO. 9

7 On page 3, line 20, between "by" and "multiplying" delete "the".

8 AMENDMENT NO. 10

9 On page 3, line 25, change "partnerhsip" to "partnership".