

## RÉSUMÉ DIGEST

**ACT 8 (HB 29)**

**2016 First Extraordinary Session**

**Leger**

Existing law provides that a tax be assessed, levied, collected, and paid on the La. taxable income of every corporation.

Prior law provided that the rate of the tax be computed as follows:

- (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.

New law deletes the graduated schedule of rates dependant on the amount of taxable income of the taxpayer in favor of a flat 6.5% corporate income tax rate.

Applicable to all tax years beginning on and after Jan. 1, 2017.

Effective Jan. 1, 2017, if the proposed amendment of Article VII of the Constitution of La. contained in Act No. 31 of the 2016 1<sup>st</sup> E.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:287.12)