

2017 Regular Session

HOUSE BILL NO. 663

BY REPRESENTATIVE JACKSON

TAX EXEMPTIONS: Provides relative to certain corporate income tax deductions and exclusions

1 AN ACT

2 To amend and reenact R.S. 47:287.71(B)(4) and 287.73(C)(4), relative to income tax; to
3 provide for income tax exemptions; to provide for corporate income tax exclusions
4 and deductions; to reduce the amount of certain exclusions and deductions; to
5 provide for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:287.71(B)(4) and 287.73(C)(4) are hereby amended and reenacted
8 to read as follows:

9 §287.71. Modifications to federal gross income

10 * * *

11 B. There shall be subtracted from gross income determined under federal
12 law, unless already excluded therefrom, the following items:

13 * * *

14 (4) ~~Interest~~ Ninety-nine percent of the interest on obligations or securities
15 issued by the state of Louisiana or its political or municipal subdivisions.

16 * * *

17 §287.73. Modifications to deductions from gross income allowed by federal law

18 * * *

1 C. Additions. The following items are declared allowable as deductions in
2 the computation of net income and shall be added to the deductions allowed under
3 federal law to the extent not already included therein:

4 * * *

5 (4) Expenses disallowed by I.R.C. Section 280(C). ~~Seventy-two~~ Seventy-
6 one percent of expenses which would otherwise be deductible under federal law, but
7 for the disallowance provisions of I.R.C. Section 280(C), relative to certain expenses
8 for which credits are allowable.

9 * * *

10 Section 2. This Act shall become effective on January 1, 2018.

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 663 Original

2017 Regular Session

Jackson

Abstract: Reduces the amount of certain corporate income tax exclusions and deductions.

Present law allows a deduction in the computation of net corporate income for disallowed I.R.C. Section 280(C) wage expenses. The amount of the deduction is equal to 72% of the amount of the disallowed expense.

Proposed law reduces the amount of the deduction from 72% to 71%.

Present law excludes from corporate income 100% of the interest payments received by a taxpayer on obligations or securities issued by the state of Louisiana or its political or municipal subdivisions.

Proposed law reduces the amount of the exclusion from 100% of the interest to 99% of the interest.

Effective Jan. 1, 2018.

(Amends R.S. 47:287.71(B)(4) and 287.73(C)(4))