HOUSE COMMITTEE AMENDMENTS

2017 Regular Session

Amendments proposed by House Committee on Ways and Means to Original House Bill No. 361 by Representative Ivey

1 AMENDMENT NO. 1

- 2 On page 1, line 2, after "To" delete the remainder of the line in its entirety and delete lines
- 3 and 4 in their entirety and insert the following: 3
- 4 "amend and reenact R.S. 47:601(A), (B), and (C)(2) and to enact R.S. 47:611(C),
- 5 relative to the corporate franchise tax; to provide for the rate of the corporate 6
- franchise tax; to provide for a reduction and eventual elimination of the corporate franchise tax; to prohibit the levy of an initial tax under certain circumstances; to
- provide for applicability; to provide for an effective date; and to provide for related 8
- 9 matters."

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AMENDMENT NO. 2

- On page 1, line 6, after "Section 1." delete the remainder of the line in its entirety and delete 11
- lines 7 through 9 in their entirety and insert the following: 12
- 13 "R.S. 47:601(A), (B), and (C)(2) are hereby amended and reenacted and R.S.
- 14 47:611(C) is hereby enacted to read as follows:
- 15 §601. Imposition of tax
 - A. (1) Except as provided for in Paragraph (2) of this Subsection, every Every domestic corporation and every foreign corporation, exercising its charter, or qualified to do business or actually doing business in this state, or owning or using any part or all of its capital, plant, or any other property in this state, subject to compliance with all other provisions of law, except as otherwise provided for in this Chapter shall pay an annual tax at the rate of one dollar and fifty cents for each one thousand dollars, or major fraction thereof on the first three hundred thousand dollars of taxable capital and at the rate of three dollars for each one thousand dollars, or major fraction thereof, which exceeds three hundred thousand dollars of taxable capital. Taxable capital shall be determined as hereinafter provided. The tax levied herein is due and payable on any one or all of the following alternative incidents:
 - (1)(a) The qualification to carry on or do business in this state or the actual doing of business within this state in a corporate form. The term "doing business" as used herein shall mean and include each and every act, power, right, privilege, or immunity exercised or enjoyed in this state, as an incident to or by virtue of the powers and privileges acquired by the nature of such organizations, as well as, the buying, selling, or procuring of services or property.
- 33 (2)(b) The exercising of a corporation's charter or the continuance of its 34 charter within this state.
- 35 (3)(c) The owning or using any part or all of its capital, plant, or other 36 property in this state whether owned directly or indirectly by or through a 37 partnership, joint venture, or any other business organization of which the domestic 38 or foreign corporation is a related party as defined in R.S. 47:605.1.
 - (2) The tax levied pursuant to the provisions of this Chapter shall be limited to the following percentages of the amount otherwise levied pursuant to the provisions of this Chapter:

1 2	(a) For taxable years beginning on or after January 1, 2019, and before January 1, 2020, seventy-five percent.
3 4	(b) For taxable years beginning on or after January 1, 2020, and before January 1, 2021, fifty percent.
5 6	(c) For taxable years beginning on or after January 1, 2021, and before January 1, 2022, twenty-five percent.
7 8 9	(d) For taxable years beginning on or after January 1, 2022, no corporation franchise tax shall be assessed, levied, or collected by the state nor paid by domestic or foreign corporations on taxable capital.
10 11 12 13 14 15 16	B. It is the purpose of this Section to require the payment of this tax to the state of Louisiana by domestic corporations for the right granted by the laws of this state to exist as such an organization, and by both domestic and foreign corporations for the enjoyment, under the protection of the laws of this state, of the powers, rights, privileges, and immunities derived by reason of the corporate form of existence and operation. The tax hereby imposed pursuant to the provisions of this Chapter shall be in addition to all other taxes levied by any other statute.
17 18	C.(1) As used herein the term "domestic corporation" shall mean and include any of the following:
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20 21 22 23 24	(2) The term "foreign corporation" shall mean and include all such business organizations as hereinbefore described in this Paragraph (1) of this Subsection which are organized under the laws of any other state, territory or district, or foreign country. * * * *
25	§611. Newly taxable corporation
26	* * *
27 28 29	C. For taxable years beginning on and after January 1, 2022, no initial tax shall be assessed, levied, or collected by the state nor paid by domestic or foreign corporations.
30 31	Section 2. The provisions of this Act shall be applicable to all corporate franchise tax periods beginning on and after January 1, 2019."
32	AMENDMENT NO. 3
33 34	On page 1, line 10, after "Act" delete the remainder of the line in its entirety and insert the following:
35 36 37 38 39 40	"shall take effect on January 1, 2018, and only become operative if the proposed amendment of Article VII of the Constitution of Louisiana contained in the Act which originated as House Bill No. 356 of this 2017 Regular Session of the Legislature is adopted at a statewide election and becomes effective and if the Acts which originated as House Bill Nos. 357, 358, 359, 360, 362, 363, and 364 of this 2017 Regular Session of the Legislature are enacted and become effective."