

## RÉSUMÉ DIGEST

**ACT 382 (HB 567)**

**2025 Regular Session**

**Bacala**

Existing law known as the La. Corporation Income Tax Act provides for taxation of certain income of corporations and other entities taxed as corporations for federal income tax purposes. Provides that corporations shall be taxed on their La. taxable income, except as otherwise exempted.

Existing law and new law provide generally for tax treatment of pass-through entities known as S corporations that pass income, losses, deductions, and credits directly to their individual shareholders.

Prior law allowed certain S corporation income to be excluded from La. taxable income.

Prior law required that credits earned by, allocated to, or transferred to an S corporation during a year in which it operated as a C corporation be used at the corporation level.

Prior law authorized qualified Subchapter S subsidiaries to be treated as separate corporate entities.

New law provides for sourcing of certain S corporation income, reporting of S corporation shareholder income, and application of certain S corporation credits passed through to shareholders.

New law provides for calculation of the basis and utilization of S corporation carry-forward and carry-back losses.

New law authorizes the Dept. of Revenue (DOR) to collect delinquent taxes owed by S corporation shareholders on S corporation income directly from the S corporation. Authorizes S corporations to recover from the shareholder any delinquent tax amounts collected by DOR.

New law provides for filing of composite returns and related exceptions.

New law provides for limitations applicable to an exemption from withholding and reporting requirements for mobile workforce employers.

Prior law provided for conditions to which wages paid to certain nonresident individuals were exempt from La. income tax. New law revises these conditions.

Existing law and new law provide for claiming of tax credits generally by individuals, estates and trusts, and incorporated entities.

Prior law included references to previously abolished tax credits within a definition of incentive expenditures in existing law.

Existing law establishes the La. work opportunity tax credit for businesses that hire current and former inmates who participate in certain work release programs. Prior law established June 30, 2025, as the termination date for credit certification requests. New law repeals the termination date.

New law applies to income tax periods beginning on or after January 1, 2026.

Effective upon signature of governor (June 20, 2025).

(Amends R.S. 47:112.2(A), 248(B)(1)(a), 287.732, 287.732.1, 287.732.2(A)(1), and 1675(F)(1); Repeals R.S. 39:2(15.1)(a)-(c), (k), (v), (x), and (y) and R.S. 47:248(B)(1)(d), 287.750(I), and 1675(G))