
DIGEST

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LaFonta

HB No. 164

Abstract: Provides for the computation of borrowed capital by corporations affected by Hurricanes Katrina or Rita which have incurred extraordinary debt.

Present law provides that the franchise tax is computed on the basis of the previous calendar or fiscal year closing.

Proposed law provides that corporations that had at least 50% of their property located in or that receive at least 50% of their revenues from the Hurricane Katrina or Hurricane Rita Federal Emergency Management Agency Individual Assistance Area and that have borrowed capital that is in excess of the borrowed capital on that corporation's books on the calendar or fiscal year closing immediately prior to August 28, 2005, will be considered to have incurred extraordinary debt as a result of a gubernatorially declared disaster of 2005 and therefore may elect to compute the borrowed capital portion of their franchise tax base either on the basis of the previous calendar or fiscal year closing or on the basis of the calendar or fiscal year closing immediately prior to August 28, 2005.

Proposed law shall apply to any corporation, including but not limited to, Terry Bradshaw and Associates, which may borrow capital for the purposes of purchasing any National Football League (NFL) franchise team, which said incurred debt is to be used to revitalize a Hurricane Katrina or Hurricane Rita Federal Emergency Management Agency Individual Assistance Area.

Proposed law shall not be used to benefit the current owner of the New Orleans Saints professional football team or any relatives thereof.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:609(A))