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## DIGEST

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HB 406 Original

2015 Regular Session

Thibaut

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

Present law provides an exclusion from corporate income taxation for a corporation classified under Subchapter S of the Internal Revenue Code as an S corporation in an amount equal to the net La. income multiplied by a number derived from the number of issued and outstanding shares of capital stock held by La. shareholders divided by the number of total number of issued and outstanding shares of capital stock of the corporation on the corporation's last taxable year.

Proposed law retains present law but reduces the amount of the La. net income used to determine the amount of the exclusion from the full amount of the La. net income to 98% of the La. net income.

Present law authorizes a deduction from gross income of a corporation in an amount equal to interest and dividend income that is included on the federal income tax return.

Proposed law retains present law but reduces the amount of the deduction from the full amount of dividends to 98% of the amount of dividends included in income.

Present law authorizes a corporate income tax credit for bone marrow donor expenses paid or incurred during the tax year by an employer to provide a program for employees who are potential or who actually become bone marrow donors. The amount of the credit is equal to 25% of the expenses incurred.

Proposed law retains present law but reduces the amount of the credit from 25% to 24.5%.

Effective beginning Jan. 1, 2016.

(Amends R.S. 47:287.732(B)(2), 287.738(F)(1), and 287.758(B))