

2015 Regular Session

HOUSE BILL NO. 426

BY REPRESENTATIVE HUNTER

TAX/CORP INCOME: Provides with respect to the net operating loss deduction for purposes of the corporate income tax

1 AN ACT

2 To amend and reenact R.S. 47:246(E) and 287.86(B), relative to corporate income tax; to
3 provide for the net operating loss deduction; to reduce net operating loss deduction
4 carry back and carry forward; to provide for an effective date; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:246(E) and 287.86(B) are hereby amended and reenacted to read
8 as follows:

9 §246. Corporations; deduction from net income from Louisiana sources

10 * * *

11 E. At For all returns filed on or after July 1, 2015, regardless of the taxable
12 year to which the return relates, at the election of the taxpayer a net operating loss
13 deduction as determined in Subsection B may be a net operating loss carry-back to
14 each of the three taxable years the taxable year immediately preceding the taxable
15 year of such loss. Such election shall be made in accordance with rules and
16 regulations prescribed by the Secretary of Revenue and Taxation. The first period
17 to which a net operating loss may be carried under this provision is taxable years
18 beginning on or after January 1, 1980.

19 * * *

Present law provides a deduction from La. net income for a net operating loss to be carried back three taxable years preceding the taxable year of such loss or carried over to each of the 15 taxable years following the taxable year of such loss.

Proposed law retains present law but reduces the carryback of the net operating loss deduction from three years to one year and reduces the carryforward from 15 years to seven years for any claim filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

Proposed law applies to all claims for the net operating loss deduction on any return filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

(Amends 47:246(E) and 287.86(B))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Delete application of proposed law to tax years beginning on or after Jan. 1, 2015.
2. Add applicability of proposed law to all returns filed on or after July 1, 2015, regardless of the taxable year to which the return relates.