The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by Benjamin A. Huxen, II.

DIGEST

SB 113 Reengrossed

2017 Regular Session

Barrow

<u>Present law</u> establishes the corporation franchise tax. The tax is levied on every domestic and foreign corporation exercising its charter, qualified to do business, or actually doing business in La. For purposes of the corporation franchise tax, limited liability companies are treated and taxed in the same manner that they are treated and taxed for federal income tax purposes.

Present law provides an exemption from the tax for certain limited liability companies.

<u>Proposed law</u> retains <u>present law</u> and adds limited liability companies that file as a Real Estate Investment Trust for federal income tax purposes and has one hundred percent of its common shares owned by a tax-exempt organization to the limited liability companies that are exempt from the franchise tax. <u>Proposed law</u> is limited to limited liability companies that meet the forgoing requirements as of July 1, 2017.

Effective January 1, 2018.

(Amends R.S. 47:601(C)(1)(c))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Finance to the engrossed bill

1. Limits the exemption to limited liability companies that meet the requirements as of July 1, 2017.