

GREEN SHEET REDIGEST

HB 555

2017 Regular Session

Jackson

(KEYWORD, SUMMARY, AND DIGEST as amended by Senate committee amendments)

**TAX/CORP INCOME: Provides relative to the corporate income tax deduction for certain dividend income.**

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DIGEST

Present law provides a deduction from corporation income amounts received as dividend income from certain La. banking corporations, national banking corporations, and from capital stock associations whose stock is subject to ad valorem taxation.

Proposed law retains present law and adds dividend income received by a regulated group of entities to the list of dividend income that may be deducted from corporation income.

Proposed law defines "regulated group of entities" to mean a group made up of a parent entity and other legal entities when the parent entity owns a majority of either the vote or the value of stock, membership interest, partnership interest, or other ownership interest and in which either one of the following applies:

- (1) Requires at least one of the members of the group to be regulated by the La. Public Service Commission as either a telecommunications service provider and at least one of the members of the group has at anytime been party to a contract entered into under of contracts executed with the State Board of Commerce and Industry.
- (2) One or more of the members of the group is regulated by the Louisiana Public Service Commission as an electric utility.

Proposed law defines "legal entities" to include, but not be limited to, corporations, limited liability companies, partnerships, or any other forms of business organizations.

Proposed law is applicable to all taxable periods beginning on and after Jan. 1, 2018.

Effective Jan. 1, 2018.

(Amends R.S. 47:287.71(B)(6))

Summary of Amendments Adopted by House

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

1. Add provision that proposed law is applicable to all taxable periods beginning on and after Jan. 1, 2018.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill

1. Clarifies the definition of regulated group entities.