The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

DIGEST

SB 125 Original 2019 Regular Session Ward

Present law levies the corporation franchise tax on domestic and foreign corporations exercising their charter, qualified to do business, or actually doing business in the state. Corporation franchise tax is also levied on any domestic or foreign corporation owning or using any part of its capital, plant, or other property in Louisiana.

Present law provides that the tax shall be levied at the following rates:

(1) $1.50 per $1,000 of taxable capital, up to $300,000.

(2) $3.00 per $1,000 of taxable capital above $300,000.

Proposed law eliminates the first bracket of the tax for all taxpayers.

Proposed law provides that no tax will be due on the first $300,000 of taxable capital.

Proposed law provides that the tax shall be levied at the rate of $3 per $1,000 of taxable capital above $300,000.

Effective for all taxable periods beginning on or after January 1, 2020.

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

(Amends R.S. 47:601(A)(intro para))