## SLS 21RS-145

## ORIGINAL

2021 Regular Session

SENATE BILL NO. 161

BY SENATOR ALLAIN

TAX/FRANCHISE/CORPORATE. Extends the termination date of the exemption from corporate franchise tax for small business corporations. (gov sig)

1	AN ACT
2	To amend and reenact R.S. 47:601.1(A)(1), relative to the suspension the corporation
3	franchise tax on the first three hundred thousand dollars of taxable capital for small
4	business corporations; to provide the applicable tax periods of the suspension; to
5	provide for effectiveness; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. $47:601.1(A)(1)$ is hereby amended and reenacted to read as follows:
8	§601.1. Suspension of the corporate franchise tax applicable to small business
9	corporations
10	A.(1) Notwithstanding any provision of law to the contrary, the state
11	corporation franchise tax levied on corporations at the rate of one dollar and fifty
12	cents for each one thousand dollars, or major fraction thereof, on the first three
13	hundred thousand dollars of taxable capital pursuant to the provisions of R.S.
14	47:601(A) shall not apply to small business corporations for franchise taxable
15	periods beginning between July 1, 2020, and <del>June 30, 2021</del> December 31, 2025.
16	* * *
17	Section 2. This Act shall become effective upon signature by the governor or, if not

Page 1 of 2 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions. SB 161 Original

- 1 signed by the governor, upon expiration of the time for bills to become law without signature
- 2 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
- 3 vetoed by the governor and subsequently approved by the legislature, this Act shall become
- 4 effective on the day following such approval.

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

## DIGEST 2021 Regular Session

Allain

<u>Present law</u> suspends the corporation franchise tax on the first \$300,000 of taxable capital for small business corporations.

<u>Present law</u> defines "small business corporation" as an entity that is subject to the corporation franchise tax and that has taxable capital of \$1,000,000 or less.

<u>Present law</u> applies only to taxable periods beginning between July 1, 2020, and June 30, 2021.

<u>Proposed law</u> extends the suspension of the corporation franchise tax on the first \$300,000 of taxable capital for small business corporations for all franchise taxable periods beginning before Jan. 1, 2026.

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

(Amends R.S. 47:601.1(A)(1))