
DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 506 Engrossed

2021 Regular Session

Beaullieu

Abstract: Increases the amount of the net operating loss deduction that may be claimed on returns filed for tax years beginning on or after Jan. 1, 2021, to 80% of the net operating loss carryovers for the taxable year.

Present law authorizes a deduction reducing La. net income in an amount equal to 72% of the net operating loss carryovers for the taxable year for all claims on any return filed on or after July 1, 2015, regardless of the taxable year to which the return relates. Present law prohibits the amount of the deduction from exceeding 72% of the La. net income of the taxpayer.

Proposed law increases the amount of the deduction for net operating losses for claims on any return for a taxable year beginning on or after Jan. 1, 2021, from 72% of the net operating loss carryovers for the taxable year to 80% of the net operating loss carryovers for the taxable year. Prohibits the amount of the deduction from exceeding 80% of the La. net income of the taxpayer.

Present law authorizes a La. net loss to be carried over for 20 taxable years following the taxable year of the loss.

Proposed law retains present law.

Applicable to tax years beginning on or after Jan. 1, 2021.

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

(Amends R.S. 47:287.69 and 287.86(A))

Summary of Amendments Adopted by House

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

1. Change the amount of the net operating loss deduction in proposed law from 100% of the net operating loss carryovers for the taxable year to 80% of the net operating loss carryovers for the taxable year.
2. Prohibit the amount of the net operating loss deduction from exceeding 80% of the La.

net income of the taxpayer.