The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Danielle Clapinski.

|  | DIGEST |  |
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| SB 19 Engrossed | 2023 Regular Session |  |

Present law requires tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation and to be computed at the following rates:
(1) $3.5 \%$ on the first $\$ 50,000$ of La. taxable income.
(2) $5.5 \%$ on La. taxable income above $\$ 50,000$ but not in excess of $\$ 150,000$.
(3) $7.5 \%$ on all La. taxable income in excess of $\$ 150,000$.

Proposed law changes the corporate income tax brackets in present law and reduces the corporate income tax rates as follows:
(1) $2 \%$ on the first $\$ 50,000$ of La. taxable income.
(2) $4.75 \%$ on La. taxable income above $\$ 50,000$.

Present law provides for a tax credit for ad valorem taxes paid by the taxpayer to political subdivisions on inventory held by manufacturers, distributors, and retailers and on natural gas held, used, or consumed in providing natural gas storage services.

Present law provides that the tax credit is applicable against individual income tax, corporate income tax, and corporate franchise tax.

Proposed law retains the tax credit but limits the applicability of the credit to individual income tax.
Applicable to corporate income tax periods beginning on or after January 1, 2024, corporation franchise tax periods beginning on or after January 1, 2025, and to ad valorem taxes paid on or after January 1, 2024.

Effective January 1, 2024.
(Amends R.S. 47:287.12, 6006(A), R.S. 47:6006(B)(1)(intro para), (B)(2), and (4))
Summary of Amendments Adopted by Senate
Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Changes applicability of proposed law to corporate income tax periods beginning on or after January 1, 2024, corporation franchise tax periods beginning on or after January 1, 2028, and to ad valorem taxes paid on or after January 1, 2024.
2. Makes technical corrections.
