Henry (HB 632) **Act No. 381**

Existing law establishes the method and calculation to be used regarding the attribution of income to Louisiana for purposes of determining corporation income and franchise liability of taxpayers who broadcast film and radio programming, hereinafter "other taxapyers". The amount shall be determined by multiplying the total gross apportionable income by an audience factor, which is the ratio of the taxpayer's La. viewing or listening audience to the total viewing or listening audience.

Existing law provides specifically for the calculation used for income of a cable television system or other arrangement under which viewers or listeners pay for the right to receive the broadcast. The audience factor is the ratio of that system's subscribers located in La. to the total subscribers of that system.

New law adds provisions specific to "other taxpayers" which broadcast film and radio programming, but are not local television or radio stations, cable television systems, or satellite television systems, all of which are currently provided for in existing law.

New law provides the calculation used for such "other taxpayers" to determine the amount of gross apportionable income attributable to La. from broadcasting film or radio programming. The amount shall be determined by multiplying the total gross apportionable income by the ratio of income received from customers commercially domiciled in La. to income received from customers everywhere. Further, the amount of gross apportionable income attributable to La. resulting from use of the foregoing ratio shall not be less than 25% of the income that would be attributable to La. using the audience factor provided for in existing law.

Provisions of new law are severable.

Provisions of new law are applicable to all corporate income tax periods beginning on or after Jan. 1, 2012, and for all corporation franchise tax periods beginning on or after Jan. 1, 2013.

Effective August 15, 2011.

(Amends R.S. 47:287.95(K) and 606(A)(1)(e))