HLS 13RS-585 ORIGINAL

Regular Session, 2013

HOUSE BILL NO. 338

BY REPRESENTATIVE RITCHIE

TAX/CORP INCOME: Reduces the rates for corporate income tax

1	AN ACT
2	To amend and reenact R.S. 47:32(C) and 287.12, relative to corporation income tax; to
3	provide relative to the rate of the corporation income tax; to reduce the rates of such
4	tax; to provide for effectiveness; and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 47:32(C) and 287.12 are hereby amended and reenacted to read as
7	follows:
8	§32. Rates of tax
9	* * *
10	C. On corporations. The tax to be assessed, levied, collected, and paid upon
11	the net income of every corporation shall be computed at the rate of:
12	(1) Four percentum Three percent upon the first twenty-five thousand dollars
13	of net income.
14	(2) Five percentum Four percent upon the amount of net income above
15	twenty-five thousand dollars but not in excess of fifty thousand dollars.
16	(3) Six percentum Five percent on the amount of net income above fifty
17	thousand dollars but not in excess of one hundred thousand dollars.
18	(4) Seven percentum Six percent on the amount of net income above one
19	hundred thousand dollars but not in excess of two hundred thousand dollars.

1	(5) Eight percentum Seven percent on all net income in excess of two
2	hundred thousand dollars.
3	* * *
4	§287.12. Rates of tax
5	The tax to be assessed, levied, collected, and paid upon the Louisiana taxable
6	income of every corporation shall be computed at the rate of:
7	(1) Four Three percent upon the first twenty-five thousand dollars of
8	Louisiana taxable income.
9	(2) Five Four percent upon the amount of Louisiana taxable income above
10	twenty-five thousand dollars but not in excess of fifty thousand dollars.
11	(3) Six Five percent on the amount of Louisiana taxable income above fifty
12	thousand dollars but not in excess of one hundred thousand dollars.
13	(4) Seven Six percent on the amount of Louisiana taxable income above one
14	hundred thousand dollars but not in excess of two hundred thousand dollars.
15	(5) Eight Seven percent on all Louisiana taxable income in excess of two
16	hundred thousand dollars.
17	Section 2. This Act shall become effective on January 1, 2014, and shall be
18	applicable to all tax years beginning on and after January 1, 2014.

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)]

Ritchie HB No. 338

Abstract: Reduces the rate of tax on the taxable income of corporations in La.

<u>Present law</u> provides that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation shall be computed at the following rates:

- (1) 4% on the first \$25,000 of La. taxable income.
- (2) 5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 6% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 7% on La. taxable income above \$100,000 but not in excess of \$200,000.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

(5) 8% on all La. taxable income in excess of \$200,000.

<u>Proposed law</u> reduces the <u>present law</u> rates for the tax on the taxable income of corporations to the following:

- (1) 3% on the first \$25,000 of La. taxable income.
- (2) 4% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) 5% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) 6% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) 7% on all La. taxable income in excess of \$200,000.

Effective Jan. 1, 2014, and applicable to all tax years beginning on and after Jan. 1, 2014.

(Amends R.S. 47:32(C) and 287.12)