HLS 15RS-1114 ORIGINAL

2015 Regular Session

HOUSE BILL NO. 426

1

BY REPRESENTATIVE HUNTER

TAX/CORP INCOME: Provides with respect to the net operating loss deduction for purposes of the corporate income tax

AN ACT

2 To amend and reenact R.S. 47:246(E) and 287.86(A) and (B), relative to corporate income 3 tax; to provide for the net operating loss deduction; to reduce net operating loss 4 deduction carry back and carry forward; to provide for an effective date; and to 5 provide for related matters. 6 Be it enacted by the Legislature of Louisiana: 7 Section 1. R.S. 47:246(E) and 287.86(A) and (B) are hereby amended and reenacted 8 to read as follows: 9 §246. Corporations; deduction from net income from Louisiana sources 10 11 E. At For losses incurred for taxable years prior to January 1, 2015, at the 12 election of the taxpayer, a net operating loss deduction as determined in Subsection 13 B of this Section, may be a net operating loss carry-back to each of the three taxable 14 years preceding the taxable year of such loss. For losses incurred for taxable years 15 beginning on or after January 1, 2015, at the election of the taxpayer, a net operating loss deduction as determined by Subsection B of this Section may be a net operating 16 17 loss carry-back to one taxable year preceding the taxable year of such loss. Such election shall be made in accordance with rules and regulations prescribed by the 18 19 Secretary of Revenue and Taxation. The first period to which a net operating loss

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

1	may be carried under this provision is taxable years beginning on or after January 1,
2	1980.
3	* * *
4	§287.86. Net operating loss deduction
5	A. Deduction from Louisiana net income. Except as otherwise provided, for
6	losses incurred for taxable years beginning on or after January 1, 2015, there shall
7	be allowed for the taxable year an adjustment reducing Louisiana net income in an
8	amount equal to the aggregate of:
9	(1) The net operating loss carryovers to such year, plus.
10	(2) The net operating loss carrybacks to such year.
11	NOTE: Paragraph (B)(1) effective when the 113 th Congress of the U.S.
12	grants a similar benefit to taxpayers under federal income tax law and
13	applicable to taxable years beginning August 1, 2011, and thereafter.
14	B. Net operating loss carrybacks and carryovers. The taxable years to which
15	a Louisiana net loss may be carried shall be:
16	(1) A For losses incurred for taxable years beginning on or after January 1,
17	1984, and before January 1, 2015, a net operating loss carryback to each of the three
18	taxable years preceding the taxable year of such loss, unless carryback treatment is
19	relinquished pursuant to R.S. 47:287.86(D).
20	(2) For losses incurred for taxable years beginning on or after January 1,
21	2015, a net operating loss carryback to the taxable year preceding the taxable year
22	of such loss, unless carryback treatment is relinquished pursuant to R.S. 287.86(D).
23	(2) (3) For losses incurred for taxable years beginning before January 1,
24	1984, a net operating loss carryover to each of the five taxable years following the
25	taxable year of such loss.
26	(4) For losses incurred for taxable years beginning on or after January 1,
27	1984, and before January 1, 2015, a net operating loss carryover to each of the fifteen
28	taxable years following the taxable year of such loss.

1 (5) For losses incurred for taxable years beginning on or after January 1,
2 2015, a net operating loss carryover to each of the seven taxable years following the
3 taxable year of such loss.
4 * * * *

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 426 Original

2015 Regular Session

Hunter

Abstract: Reduces the carryback of the net operating loss deduction for purposes of calculating corporate income tax liability <u>from</u> three years <u>to</u> one year and reduces the carryforward <u>from</u> fifteen years <u>to</u> seven years.

<u>Present law</u> provides a deduction from Louisiana net income for a net operating loss to be carried back three taxable years preceding the taxable year of such loss or carried over to each of the 15 taxable years following the taxable year of such loss.

<u>Proposed law</u> retains <u>present law</u> but reduces the carryback of the net operating loss deduction <u>from</u> three years <u>to</u> one year and reduces the carryforward <u>from</u> fifteen years <u>to</u> seven years.

(Amends 47:246(E) and 287.86(A) and (B))