

2015 Regular Session

HOUSE BILL NO. 574

BY REPRESENTATIVE LEOPOLD

TAX/CORP FRANCHISE: Excludes from the definition of "business of manufacturing" any taxpayer whose income is primarily derived from the manufacture and sale of cement

1 AN ACT

2 To enact R.S. 47:606(A)(3)(c)(iv), relative to corporation franchise tax; to provide for the
3 allocation of taxable capital; to provide for certain definitions; to provide for certain
4 exclusions; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:606(A)(3)(c)(iv) is hereby enacted to read as follows:

7 §606. Allocation of taxable capital

8 A. General allocation formula.

9 For the purpose of ascertaining the tax imposed in this Chapter, every
10 corporation subject to the tax is deemed to have employed in this state the proportion
11 of its taxable capital, computed on the basis of the ratio obtained by taking the
12 arithmetical average of the following ratios:

13 * * *

14 (3)

15 * * *

16 (c) The term "business of manufacturing" shall only include taxpayers whose
17 net sales are derived primarily from the manufacture, production, and sale of tangible
18 personal property; however, the term "business of manufacturing" shall not include:

19 * * *

1 (iv) Any taxpayer whose income is primarily derived from the manufacture and sale
2 of cement.

3 * * *

4 Section 2. This Act shall become effective on July 1, 2015.

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 574 Original

2015 Regular Session

Leopold

Abstract: Excludes from the definition of "business of manufacturing" related to corporation franchise tax any taxpayer whose income is primarily derived from the manufacture and sale of cement.

Present law provides for the determination of corporate franchise tax, including a determination for corporations engaged in the business of manufacturing.

Present law defines business of manufacturing to only include taxpayers whose net sales are derived primarily from the manufacture, production, and sale of tangible personal property.

Present law provides for certain exclusions from the definition of business of manufacturing in present law.

Proposed law further excludes from business of manufacturing any taxpayer whose income is primarily derived from the manufacture and sale of cement.

Effective July 1, 2015.

(Adds R.S. 47:606(A)(3)(c)(iv))