

2015 Regular Session

HOUSE BILL NO. 449

BY REPRESENTATIVE ROBIDEAUX

TAX/TAXATION: Provides relative to calculation of the Louisiana apportionment percent and taxable capital for manufacturers of certain aircraft

1 AN ACT

2 To amend and reenact R.S. 47:287.95(F)(3) and 606(A)(1)(a); relative to corporate income
3 and corporate franchise tax; to provide for determination of taxable income from
4 sales of certain aircraft manufactured in this state; to provide for the determination
5 of taxable capital from sales of certain aircraft manufactured in this state; to provide
6 for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:287.95(F)(3) and 606(A)(1)(a) are hereby amended and reenacted
9 to read as follows:

10 §287.95. Determination of Louisiana apportionment percent

11 * * *

12 F.

13 * * *

14 (3) For the purpose of this Subsection, sales attributable to this state shall be
15 all sales where the goods, merchandise, or property is received in this state by the
16 purchaser. In the case of delivery of goods by common carrier or by other means of
17 transportation, including transportation by the purchaser, the place at which the
18 goods are ultimately received after all transportation has been completed shall be
19 considered as the place at which the goods are received by the purchaser. However,
20 direct delivery into this state by the taxpayer to a person or firm designated by a

1 purchaser from within or without the state shall constitute delivery to the purchaser
2 in this state. For purposes of sales of aircraft manufactured or assembled in this
3 state, the place at which the aircraft is ultimately received shall be the place the
4 aircraft is to be primarily stored when not in use.

5 * * *

6 §606. Allocation of taxable capital

7 A. General allocation formula.

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

12 (1) The ratio that the net sales made to customers in the regular course of
13 business and other revenue attributable to Louisiana bears to the total net sales made
14 to customers in the regular course of business and other revenue. For the purposes
15 of this Sub-section net sales and other revenues attributable to Louisiana shall be
16 determined as follows:

17 (a) Sales attributable to this state shall be all sales where the goods,
18 merchandise or property is received in this state by the purchaser. In the case of
19 delivery of goods by common carrier or by other means of transportation, including
20 transportation by the purchaser, the place at which the goods are ultimately received
21 after all transportation has been completed shall be considered as the place at which
22 the goods are received by the purchaser. However, direct delivery into this state by
23 the taxpayer to a person or firm designated by a purchaser from within or without the
24 state shall constitute delivery to the purchaser in this state. Revenue derived from
25 a sale of property not made in the regular course of business shall not be considered.
26 For purposes of sales of aircraft manufactured or assembled in this state, the place
27 at which the aircraft is ultimately received shall be the place the aircraft is to be
28 primarily stored when not in use.

29 * * *

1 Section 2. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

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 449 Engrossed

2015 Regular Session

Robideaux

Abstract: Provides with respect to the determination of sales attributable to La. for purposes of calculating certain manufacturer's apportionment percent and taxable capital.

Present law establishes methods for attributing income to Louisiana for purposes of determining corporate income and corporate franchise taxes for manufacturers. Further provides that for purposes of present law, sales attributable to this state shall include sales where the goods, merchandise, or property are received in this state by the purchaser. Further provides that in the case of delivery of goods by common carrier, the place that goods are ultimately received after all transportation has been completed is considered the place the goods are received by the purchaser.

Proposed law retains present law but adds that for purposes of sales of aircraft manufactured or assembled in this state, the place the aircraft is ultimately received is the place the aircraft is primarily stored when not in use.

Present law requires corporations qualified to do business or actually doing business in this state to pay an annual corporation franchise tax. The amount of the tax varies on the amount of taxable capital of the corporation. Further provides that the determination of taxable capital is based on a formula which includes the ratio of net sales made to customers in the regular course of business and other revenue attributable to La. to the total net sales made to customers in the regular course of business and other revenue. Sales attributable to this state shall include all sales where the goods and merchandise are received by the purchaser. In the case of delivery of goods by common carrier, the place the goods are ultimately received after all transportation has been completed is considered the place the goods are received by the purchaser.

Proposed law retains present law but adds that for purposes of sales of aircraft manufactured or assembled in this state, the place the aircraft is ultimately received shall be the place the aircraft is primarily stored when not in use.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:287.95(F)(3) and 606(A)(1)(a))