

2016 First Extraordinary Session

HOUSE BILL NO. 29

BY REPRESENTATIVE LEGER

TAX/CORP INCOME: Reduces rates for purposes of calculating corporation income tax liability (Item #3)

1 AN ACT

2 To amend and reenact R.S. 47:287.12, relative to corporation income tax; to provide relative
3 to the rate of the corporation income tax; to reduce the rates of such tax; to provide
4 for applicability; to provide for effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:287.12 is hereby amended and reenacted to read as follows:

7 §287.12. Rates of tax

8 The tax to be assessed, levied, collected, and paid upon the Louisiana taxable
9 income of every corporation shall be computed at the rate of:

10 (1) ~~Four~~ Three and one-half percent upon the first twenty-five thousand
11 dollars of Louisiana taxable income.

12 (2) ~~Five~~ Four and one-half percent upon the amount of Louisiana taxable
13 income above twenty-five thousand dollars but not in excess of fifty thousand
14 dollars.

15 (3) ~~Six~~ Five and one-half percent on the amount of Louisiana taxable income
16 above fifty thousand dollars but not in excess of one hundred thousand dollars.

17 (4) ~~Seven~~ Six and one-half percent on the amount of Louisiana taxable
18 income above one hundred thousand dollars but not in excess of two hundred
19 thousand dollars.

1 (5) ~~Eight~~ Seven and one-half percent on all Louisiana taxable income in
2 excess of two hundred thousand dollars.

3 Section 2. The provisions of this Act shall be applicable to all tax years beginning
4 on and after January 1, 2017.

5 Section 3. This Act shall take effect and become operative if and when the proposed
6 amendment of Article VII of the Constitution of Louisiana contained in the Act which
7 originated as House Bill No. _____ of this 2016 First Extraordinary Session of the
8 Legislature is adopted at a statewide election and becomes effective.

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 29 Engrossed

2016 First Extraordinary Session

Leger

Abstract: Reduces rates for purposes of calculating corporation income tax liability.

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

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

- (1) From 4% to 3.5% on the first \$25,000 of La. taxable income.
- (2) From 5% to 4.5% on La. taxable income above \$25,000 but not in excess of \$50,000.
- (3) From 6% to 5.5% on La. taxable income above \$50,000 but not in excess of \$100,000.
- (4) From 7% to 6.5% on La. taxable income above \$100,000 but not in excess of \$200,000.
- (5) From 8% to 7.5% on all La. taxable income in excess of \$200,000.

Applicable to all tax years beginning on and after January 1, 2017.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2016 First E.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:287.12)