	SLATIVE FISCAL OFFICE Fiscal Note						
Louigana	Fiscal Note On: HB 20 HLS 161ES 144						
::Leg諸和tive	Bill Text Version: ENGROSSED						
Fiscally Office	Opp. Chamb. Action:						
	Proposed Amd.:						
	Sub. Bill For.:						
Date: February 24, 2016 9:58 AM	Author: BROADWATER						
Dept./Agy.: Revenue							
Subject: Net Operating Loss Deduction	Analyst: Greg Albrecht						

TAX/CORP INCOME

EG SEE FISC NOTE GF RV See Note Provides relative to the net operating loss deduction for corporate income tax (Item #5)

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Limits the net operating loss deduction that a corporation may claim to 72% of Louisiana net income.

Effective January 1, 2016.

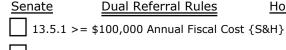
EXPENDITURES	2016-17	<u>2017-18</u>	2018-19	2019-20	2020-21	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill appears to be correcting language in Act 123 of 2015 that has been the subject of dispute with taxpayers regarding the limitation of net operating loss deductions. Act 123 anticipated generating some \$105 million in FY16 and FY17 from the limitation of NOL deduction. This bill will presumably insure that at least that amount of the fiscal effect anticipated by Act 123 is realized.



Dual Referral Rules <u>House</u>

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee

Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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John D. Carpenter **Legislative Fiscal Officer**