

HOUSE BILL NO.

DRAFT

March 25, 2013 4:45pm

BY

TAX/CORP INCOME: Repeals corporate income tax and corporation franchise tax and repeals certain tax exemptions, deductions, and credits

D

1

R AN ACT

2 To amend and reenact R.S. 47:22, 31, 32, 103(A), 120.31(A)(1)(introductory paragraph), and
3 241 and to repeal R.S. 47:11, 12, 34 through 37, 95, 102, Subpart A of Part II of Chapter
4 1 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S.
5 47:121, Subpart B of Part II of Chapter 1 of Subtitle II of Title 47 of the Louisiana
6 Revised Statutes of 1950, comprised of R.S. 47:131 through 167, Subpart E of Part II of
7 Chapter 1 of Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised
8 of R.S. 47:221 through 227, R.S. 47:246 and 247, Part II-A of Chapter 1 of Subtitle II of
9 Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:287.2 through
10 287.785, Chapter 5 of Subtitle I of the Louisiana Revised Statutes of 1950, comprised of
11 R.S. 47:601 through 618, R.S. 47:6004 through 6037, and Chapter 2 of Subtitle VII of
12 Title 47 of the Louisiana Revised Statutes of 1950, comprised on R.S. 47:6101 through
13 6109, relative to corporation income and franchise taxes; to

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 47:22, 31, 32, 103(A), 120.31(A)(1)(introductory paragraph), and 241 are
16 hereby amended and reenacted to read as follows:

17 §22. Special classes of taxpayers

18 The application of the general provisions of Part I, and Sub-parts A and B of Part
19 II of this Sub-title to each of the following special classes of taxpayers, shall be subject to
20 the exceptions and additional provisions found in Part II of this Sub-title applicable to

1 such class, as follows:

2 (1) Estates and trusts and the beneficiaries thereof, Sub-part C of Part II.

3 (2) Members of partnerships, Sub-part D of Part II.

4 ~~(3) Insurance companies, Sub-part E of Part II.~~

5 ~~(4) Foreign corporations, Sub-part G of Part II.~~

6 * * *

7 §31. ~~Individuals, corporations~~ and trusts subject to tax

8 There shall be levied, collected, and paid for each taxable year a tax upon the net
9 income of residents and nonresidents, estates, and trusts ~~and corporations~~, as hereinafter
10 provided.

11 (1) Resident individuals. Every person residing within the state, or the personal
12 representative in the event of death, shall pay a tax on net income from whatever source
13 derived, except as hereinafter exempted.

14 Every natural person domiciled in the state, and every other natural person who
15 maintains a permanent place of abode within the state or who spends in the aggregate
16 more than six months of the taxable year within the state, shall be deemed to be a resident
17 of this state for the purpose of determining liability for income taxes under this Chapter.

18 (2) Nonresident individuals. Every nonresident shall pay a tax upon such net
19 income as is derived from property located, or from services rendered, or from business
20 transacted within the state, or from sources within the state, except as hereinafter
21 exempted.

22 ~~(3) Corporations. Corporations shall be taxed on net income from sources within~~
23 ~~the state, as hereinafter set out.~~

24 ~~(4) Domestic real estate investment trusts. Trusts shall be taxed on net income~~
25 ~~from whatever source derived, except as otherwise exempted.~~

26 ~~(5) Foreign real estate investment trusts. Foreign real estate investment trusts~~
27 ~~shall be taxed on net income from sources within the state, as hereinafter set out.~~

28 §32. Rates of tax

29 A. On individuals. The tax to be assessed, levied, collected and paid upon the
30 taxable income of an individual shall be computed at the following rates:

1 (1) Two percent on that portion of the first twelve thousand five hundred dollars
2 of net income which is in excess of the credits against net income provided for in R.S.
3 47:79;

4 (2) Four percent on the next thirty-seven thousand five hundred dollars of net
5 income;

6 (3) Six percent on any amount of net income in excess of fifty thousand dollars of
7 net income.

8 B. Joint returns of individuals. In the case of a joint return of husband and wife
9 under R.S. 47:101B, the combined tax under Sub-section A of this Section shall be twice
10 the combined tax that would be determined if the net income and the applicable credits
11 against net income provided by R.S. 47:79 were reduced by one-half.

12 ~~C. On corporations. The tax to be assessed, levied, collected, and paid upon the~~
13 ~~net income of every corporation shall be computed at the rate of:~~

14 ~~(1) Four percentum upon the first twenty-five thousand dollars of net income.~~

15 ~~(2) Five percentum upon the amount of net income above twenty-five thousand~~
16 ~~dollars but not in excess of fifty thousand dollars.~~

17 ~~(3) Six percentum on the amount of net income above fifty thousand dollars but~~
18 ~~not in excess of one hundred thousand dollars.~~

19 ~~(4) Seven percentum on the amount of net income above one hundred thousand~~
20 ~~dollars but not in excess of two hundred thousand dollars.~~

21 ~~(5) Eight percentum on all net income in excess of two hundred thousand dollars.~~

22 * * *

23 §103. Time and place for filing returns; information concerning federal return

24 A. ~~Time and place for filing returns. (1) Corporation income tax returns. Returns~~
25 ~~for corporations on the basis of the calendar year shall be made and filed with the~~
26 ~~secretary at Baton Rouge, Louisiana, on or before the fifteenth day of April, following the~~
27 ~~close of the calendar year. Returns for corporations made on the basis of a fiscal year~~
28 ~~shall be made and filed with the secretary at Baton Rouge, Louisiana, on or before the~~
29 ~~fifteenth day of the fourth month following the close of the fiscal year.~~

30 ~~(2) Other income tax returns. Returns other than corporation returns made on the~~

1 basis of the calendar year shall be made and filed with the secretary at Baton Rouge,
2 Louisiana, on or before the fifteenth day of May, following the close of the calendar year.
3 Returns ~~other than corporation returns~~ made on the basis of a fiscal year shall be made
4 and filed with the secretary at Baton Rouge, Louisiana, on or before the fifteenth day of
5 the fifth month following the close of the fiscal year.

6 ~~(3) In the event that the date on which returns shall be filed falls on Saturday,~~
7 ~~Sunday, or a legal holiday, the return shall be made and filed on the next business day.~~

8 * * *
9 §120.31. Individual ~~and corporate~~ tax checkoffs for donations to the Louisiana Military
10 Family Assistance Fund

11 A.(1) For tax years beginning on and after January 1, 2005, every individual ~~and~~
12 ~~corporation~~ that files an individual income tax return ~~or a corporate income or franchise~~
13 ~~tax return~~ is authorized to do any of the following:

14 * * *
15 SUBPART F. NONRESIDENT INDIVIDUALS

16 ~~AND CORPORATIONS~~

17 §241. Net income subject to tax

18 The net income of a nonresident individual ~~or a corporation~~ subject to the tax
19 imposed by this Chapter shall be the sum of the net allocable income earned within or
20 derived from sources within this state, as defined in R.S. 47:243, and the net
21 apportionable income derived from sources in this state, as defined in R.S. 47:244, less
22 the amount of federal income taxes attributable to the net allocable income and net
23 apportionable income derived from sources in this state. The amount of federal income
24 taxes to be so deducted shall be that portion of the total federal income tax which is
25 levied with respect to the particular income derived from sources in this state to be
26 computed in accordance with rules and regulations of the ~~collector~~ secretary of revenue.
27 Proper adjustment shall be made for the actual tax rates applying to different classes of
28 income and for all differences in the computation of net income for purposes of federal
29 income taxation as compared to the computation of net income under this Chapter.

30 Where the allocation of the tax is to be based on a ratio of the amount of net income of a

1 particular class, both the numerator and the denominator of the fraction used in
2 determining the ratio shall be computed on the basis that such net income is determined
3 for federal income tax purposes.

4 Section 2. R.S. 47:11, 12, 34 through 37, 95, 102, Subpart A of Part II of Chapter 1 of
5 Subtitle II of Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:121,
6 Subpart B of Part II of Chapter 1 of Subtitle II of Title 47 of the Louisiana Revised Statutes of
7 1950, comprised of R.S. 47:131 through 167, Subpart E of Part II of Chapter 1 of Subtitle II of
8 Title 47 of the Louisiana Revised Statutes of 1950, comprised of R.S. 47:221 through 227, R.S.
9 47:246 and 247, Part II-A of Chapter 1 of Subtitle II of Title 47 of the Louisiana Revised
10 Statutes of 1950, comprised of R.S. 47:287.2 through 287.785, Chapter 5 of Subtitle I of the
11 Louisiana Revised Statutes of 1950, comprised of R.S. 47:601 through 618, R.S. 47:6004
12 through 6037, and Chapter 2 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of
13 1950, comprised on R.S. 47:6101 through 6109 are hereby repealed in their entirety.

14 Section 3. Effective.....