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**HOUSE FLOOR AMENDMENTS**

2017 Regular Session

Amendments proposed by Representative Stokes to Engrossed House Bill No. 360 by Representative Ivey

1 AMENDMENT NO. 1

2 Delete the set of House Floor Amendments by Representative Ivey (#3275)

3 AMENDMENT NO. 2

4 On page 1, line 2, after "reenact" delete the remainder of the line and delete lines 3 through  
5 11 in their entirety and insert the following:

6 "R.S. 47:93(B), 241, 287.12, 287.69, 287.442(B)(1), 300.6(A), and 300.7(A),  
7 to enact R.S. 47:55(6), and to repeal R.S. 47:287.79, 287.83, and 287.85,  
8 relative to income tax; to provide relative to the rate of the corporation  
9 income tax; to provide relative to the deductibility of federal income taxes;  
10 to repeal deductibility of federal income taxes paid for purposes of  
11 calculating corporate income taxes; to provide for"

12 AMENDMENT NO. 3

13 On page 1, line 14, after "Section 1." delete the remainder of the line, delete lines 15 through  
14 18 in their entirety, and delete pages 2 through 4 in their entirety and insert the following:

15 "R.S. 47:93(B), 241, 287.12, 287.69, 287.442(B)(1), 300.6(A), and 300.7(A)  
16 are hereby amended and reenacted and R.S. 47:55(6) is hereby enacted to  
17 read as follows:

18 §55. Deductions from gross income; taxes generally

19 In computing net income, there shall be allowed as deductions all  
20 taxes paid or accrued within the taxable year except:

21 \* \* \*

22 (6) Federal income taxes paid by corporations and entities taxed as  
23 corporations.

24 \* \* \*

25 §93. Period for which deductions and credits shall be taken

26 \* \* \*

27  
28 B. The proper year in which to claim deductions for federal income  
29 and excess profits taxes allowable under the provisions of R.S. 47:55 shall  
30 be determined as follows, regardless of the method of accounting regularly  
31 employed by the taxpayer:  
32

1 (1) The amount of tax shown to be due upon the federal income tax  
2 return of the individual or fiduciary taxpayer, as filed, shall be allowed as a  
3 deduction ~~in~~ on the state individual or fiduciary income tax return for the  
4 same period as that for which such federal return is filed.

5  
6 (2) Federal income and excess profits taxes paid after the filing of the  
7 federal return in addition to the amount disclosed to be due by the return as  
8 filed shall be allowed as a deduction ~~in~~ on the state individual or fiduciary  
9 income tax return for that period if it is not prescribed. If it is prescribed, the  
10 deduction for such additional taxes shall be allowed as a deduction in the  
11 state return for the period in which such additional tax is paid. ~~This~~  
12 ~~Subsection shall apply to all such payments after December 31, 1973.~~

13 \* \* \*

14 §241. Net income subject to tax

15  
16 A. The net income of a nonresident individual ~~or a corporation~~  
17 subject to the tax imposed by this Chapter shall be the sum of the net  
18 allocable income earned within or derived from sources within this state, as  
19 defined in R.S. 47:243, and the net apportionable income derived from  
20 sources in this state, as defined in R.S. 47:244, less the amount of federal  
21 income taxes attributable to the net allocable income and net apportionable  
22 income derived from sources in this state. The amount of federal income  
23 taxes to be so deducted shall be that portion of the total federal income tax  
24 which is levied with respect to the particular income derived from sources in  
25 this state to be computed in accordance with rules and regulations of the  
26 collector of revenue. Proper adjustment shall be made for the actual tax rates  
27 applying to different classes of income and for all differences in the  
28 computation of net income for purposes of federal income taxation as  
29 compared to the computation of net income under this Chapter. Where the  
30 allocation of the tax is to be based on a ratio of the amount of net income of  
31 a particular class, both the numerator and the denominator of the fraction  
32 used in determining the ratio shall be computed on the basis that such net  
33 income is determined for federal income tax purposes.

34  
35 B. The net income of a corporation subject to the tax imposed by this  
36 Chapter shall be the sum of the net allocable income earned within or derived  
37 from sources within this state, as defined in R.S. 47:243, and the net  
38 apportionable income derived from sources in this state, as defined in R.S.  
39 47:244.

40 \* \* \*

41 §287.12. Rates of tax

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

44  
45 ~~(1) Four percent upon the first twenty-five thousand dollars of~~  
46 ~~Louisiana taxable income.~~

47  
48 ~~(2) Five percent upon the amount of Louisiana taxable income above~~  
49 ~~twenty-five thousand dollars but not in excess of fifty thousand dollars.~~

50  
51 ~~(3) Six percent on the amount of Louisiana taxable income above~~  
52 ~~fifty thousand dollars but not in excess of one hundred thousand dollars.~~



1 ~~under either R.S. 47:287.81 or R.S. 47:287.83 shall be excluded from such~~  
 2 ~~adjustment.~~ Refunds or credits of federal overpayments, including refunds  
 3 or credits created by the carryback of a federal net operating loss, shall be  
 4 taken into account by increasing Louisiana net income or decreasing the  
 5 Louisiana net loss, as the case may be. That portion, if any, of the federal  
 6 refund or credit of an overpayment which has not previously been charged  
 7 against or deducted from Louisiana net income shall be excluded from such  
 8 adjustment.  
 9

10 (d) Adjustments made to the Louisiana return. Adjustments to a  
 11 return filed pursuant to this Part, whether initiated by the secretary or the  
 12 taxpayer, shall be taken into account in the taxable year for which the return  
 13 was filed in accordance with rules, regulations, or forms prescribed by the  
 14 secretary.

15 \* \* \*

16 §300.6. Louisiana taxable income of resident estate or trust  
 17  
 18

19 A. Definition. "Louisiana taxable income" of a resident estate or  
 20 trust means the taxable income of the estate or trust determined in  
 21 accordance with federal law for the same taxable year, as specifically  
 22 modified by the provisions contained in Subsection B of this Section, less a  
 23 federal income tax deduction to be computed ~~following the provisions of~~  
 24 ~~R.S. 47:287.83 and 287.85~~ in accordance with the following provisions:  
 25

26 (1) In computing Louisiana taxable income, no federal income tax  
 27 deduction shall be allowed on net income upon which no Louisiana income  
 28 tax has been incurred, or upon which, for any reason whatsoever, no  
 29 Louisiana income tax will be paid. For purposes of this Section, the federal  
 30 income tax deduction may be recomputed and reduced to reflect the  
 31 application of a net operating loss adjustment. When computing Louisiana  
 32 taxable income, the secretary may consider reductions to the federal income  
 33 tax deduction in accordance with the provisions of this Paragraph.  
 34

35 (2) The alternative minimum tax is a federal income tax deductible  
 36 to the extent that it is applicable to regular federal taxable income. Any  
 37 alternative minimum tax paid on tax preference items shall not be deductible.  
 38 In accordance with the provisions of this Paragraph, the secretary may  
 39 determine the deductible portion of the alternative minimum tax.  
 40

41 (3) For purposes of this Section, federal income taxes shall include  
 42 taxes based on net income, accumulated earnings, war profits, excess profits,  
 43 personal holding company income, and tax from recomputation of  
 44 investment credit. The amount of the federal income tax deduction shall be  
 45 that portion of the total federal income tax, after application of all credits,  
 46 which is levied on income derived solely from sources in this state as  
 47 computed under rules and regulations prescribed by the secretary. For  
 48 purposes of federal income taxation as compared to the computation of net  
 49 income under this Part, proper adjustment shall be made for the actual tax  
 50 rates as applied to different classes of income and for all differences in the  
 51 computation of net income.  
 52

53 (4) As used in this Subsection, the term "credits" shall not include  
 54 overpayments of prior year taxes allowed as a credit, estimated tax payments  
 55 or similar prepayments, credit for prior year alternative minimum tax that is  
 56 allowed as a credit against the current regular federal income tax, or federal  
 57 income tax credits determined by the secretary to be presidential disaster area  
 58 disaster relief credits.

\* \* \*

§300.7. Louisiana taxable income of nonresident estate or trust

A. Definition. "Louisiana taxable income" of a nonresident estate or trust means ~~such~~ the portion of the taxable income of the nonresident estate or trust determined in accordance with federal law for the same taxable year, as specifically modified by the provisions contained in Subsection C of this Section, that was earned within or derived from sources within this state, less a federal income tax deduction to be computed following the provisions of ~~R.S. 47:287.83 and 287.85~~ R.S. 47:300.6.

\* \* \*

Section 2. R.S. 47:287.79, 287.83, and 287.85 are hereby repealed in their entirety.

Section 3. The provisions of this Act shall be applicable to all tax years beginning on and after January 1, 2018.

Section 4. This Act shall become effective on January 1, 2018, if the proposed amendment of Article VII of the Constitution of Louisiana contained in the Act which originated as House Bill No. 356 of this 2017 Regular Session of the Legislature is adopted at a statewide election and becomes effective."