

2023 Regular Session

HOUSE BILL NO. 246

BY REPRESENTATIVE DEVILLIER

TAX/CORP INCOME: Phases-out the the corporation income tax over five years

1 AN ACT

2 To amend and reenact R.S. 47:287.11(A) and 287.12, relative to corporation income tax; to
3 provide for the rate of the corporation income tax; to provide for a reduction and
4 eventual elimination of the corporation income tax; to provide for applicability; to
5 provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:287.11(A) and 287.12 are hereby amended and reenacted to read
8 as follows:

9 §287.11. Tax imposed

10 A.(1) For taxable years beginning prior to January 1, 2028, there ~~There~~ shall
11 be levied, collected, and paid for each taxable year a tax upon the Louisiana taxable
12 income of corporations and other entities taxed as corporations for federal income
13 tax purposes, which entities shall be considered to be corporations for the purposes
14 of this Chapter only, other than insurance companies as hereinafter provided.

15 (2) For taxable years beginning on or after January 1, 2028, no tax shall be
16 assessed, levied, collected, or paid upon the Louisiana taxable income of
17 corporations.

18 * * *

1 §287.12. Rates of tax

2 A. For taxable years beginning prior to January 1, 2024, the ~~The~~ tax to be
3 assessed, levied, collected, and paid upon the Louisiana taxable income of every
4 corporation shall be computed at the rate of:

5 (1) Three and one-half percent upon the first fifty thousand dollars of
6 Louisiana taxable income.

7 (2) Five and one-half percent on the amount of Louisiana taxable income
8 above fifty thousand dollars but not in excess of one hundred fifty thousand dollars.

9 (3) Seven and one-half percent on the amount of Louisiana taxable income
10 above one hundred fifty thousand dollars.

11 B. For taxable years beginning on or after January 1, 2024, but before
12 January 1, 2025, the tax to be assessed, levied, collected, and paid upon the
13 Louisiana taxable income of every corporation shall be computed at the rate of:

14 (1) One and eighty-five hundredths percent upon the first fifty thousand
15 dollars of Louisiana taxable income.

16 (2) Three and five tenths percent upon the amount of Louisiana taxable
17 income above fifty thousand dollars but not in excess of one hundred fifty thousand
18 dollars.

19 (3) Four and twenty-five hundredths percent on the amount of Louisiana
20 taxable income above one hundred fifty thousand dollars.

21 C. For taxable years beginning on or after January 1, 2025, but before
22 January 1, 2026, the tax to be assessed, levied, collected, and paid upon the
23 Louisiana taxable income of every corporation shall be computed at the rate of:

24 (1) One and thirty-eight hundredths percent upon the first fifty thousand
25 dollars of Louisiana taxable income.

26 (2) Two and sixty-two hundredths percent upon the amount of Louisiana
27 taxable income above fifty thousand dollars but not in excess of one hundred fifty
28 thousand dollars.

1 (3) Three and eighteen hundredths percent on the amount of Louisiana
2 taxable income above one hundred fifty thousand dollars.

3 D. For taxable years beginning on or after January 1, 2026, but before
4 January 1, 2027, the tax to be assessed, levied, collected, and paid upon the
5 Louisiana taxable income of every corporation shall be computed at the rate of:

6 (1) Ninety-two hundredths percent upon the first fifty thousand dollars of
7 Louisiana taxable income.

8 (2) One and seventy-five hundredths percent upon the amount of Louisiana
9 taxable income above fifty thousand dollars but not in excess of one hundred fifty
10 thousand dollars.

11 (3) Two and twelve hundredths percent on the amount of Louisiana taxable
12 income above one hundred fifty thousand dollars.

13 E. For taxable years beginning on or after January 1, 2027, but before
14 January 1, 2028, the tax to be assessed, levied, collected, and paid upon the
15 Louisiana taxable income of every corporation shall be computed at the rate of:

16 (1) Forty-six hundredths percent upon the first fifty thousand dollars of
17 Louisiana taxable income.

18 (2) Eighty-seven hundredths percent upon the amount of Louisiana taxable
19 income above fifty thousand dollars but not in excess of one hundred fifty thousand
20 dollars.

21 (3) One and six tenths percent on the amount of Louisiana taxable income
22 above one hundred fifty thousand dollars.

23 F. For taxable years beginning on or after January 1, 2028, no tax shall be
24 assessed, levied, collected, or paid upon the Louisiana taxable income of any
25 corporation.

26 Section 3. The provisions of this Act shall apply to taxable years beginning on or
27 after January 1, 2024.

28 Section 4. This Act shall become effective on January 1, 2024.

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 246 Original

2023 Regular Session

DeVillier

Abstract: Phases-out corporation income taxes over five years beginning on Jan. 1, 2024.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation to be computed at the following rates:

- (1) 3.5% on the first \$50,000 of La. taxable income.
- (2) 5.5% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) 7.5% on La. taxable income above \$150,000.

Proposed law changes present law for taxable years beginning on or after Jan. 1, 2024, but before Jan. 1, 2025, by reducing the tax rates as follows:

- (1) From 3.5% to 1.85% on the first \$50,000 of La. taxable income
- (2) From 5.5% to 3.50% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) From 7.5% to 4.25% on La. taxable income above \$150,000.

Proposed law provides for the further reduction of corporation income tax rates beginning on or after Jan. 1, 2025, but before Jan. 1, 2026, as follows:

- (1) From 1.85% to 1.38% on the first \$50,000 of La. taxable income
- (2) From 3.50% to 2.62% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) From 4.25% to 3.18% on La. taxable income above \$150,000.

Proposed law provides for the further reduction of corporation income tax rates beginning on or after Jan. 1, 2026, but before Jan. 1, 2027, as follows:

- (1) From 1.38% to .92% on the first \$50,000 of La. taxable income
- (2) From 2.62% to 1.75% on La. taxable income above \$50,000 but not in excess of \$150,000.
- (3) From 3.18% to 2.12% on La. taxable income above \$150,000.

Proposed law provides for the further reduction of corporate income tax rates beginning on or after Jan. 1, 2027, but before Jan. 1, 2028, as follows:

- (1) From .92% to .46% on the first \$50,000 of La. taxable income
- (2) From 1.75% to .87% on La. taxable income above \$50,000 but not in excess of \$150,000.

(3) From 2.12% to 1.06% on La. taxable income above \$150,000.

Proposed law prohibits tax from being assessed, levied, collected, or paid on the La. taxable income of any corporation for tax years beginning on or after Jan. 1, 2028.

Proposed law applies to corporate taxable years beginning on or after Jan. 1, 2024.

Effective Jan. 1, 2024.

(Amends R.S. 47:287.11(A) and 287.12)