

2021 Regular Session

HOUSE BILL NO. 293

BY REPRESENTATIVE RISER

TAX/CORP INCOME: Provides for the rate of corporation income tax

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 provide for applicability; to provide for
4 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 percent upon the first twenty-five thousand dollars of Louisiana~~
11 ~~taxable income.~~

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

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

16 (4) ~~Seven percent on the amount of Louisiana taxable income above one~~
17 ~~hundred thousand dollars but not in excess of two hundred thousand dollars.~~

18 (5) Eight six and one-half percent on all Louisiana taxable income in excess
19 of two hundred thousand dollars.

1 Section 2. The provisions of this Act shall be applicable to tax years beginning on
2 or after January 1, 2023.

3 Section 3. This Act shall take effect and become operative January 1, 2023, if the
4 proposed amendment of Article VII of the Constitution of Louisiana contained in the Act
5 which originated as House Bill No. 275 of this 2021 Regular Session of the Legislature is
6 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 293 Reengrossed

2021 Regular Session

Riser

Abstract: Changes the corporate income tax rate from a graduated schedule of rates dependent on the taxable income of the taxpayer to a flat rate of 6.5%.

Present law requires that the tax to be assessed, levied, collected, and paid on the La. taxable income of every corporation is to 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 changes present law by eliminating the graduated schedule of rates dependant on the amount of taxable income of the taxpayer in favor of a flat 6.5% corporate income tax rate.

Applicable to tax years beginning on or after Jan. 1, 2023.

Effective Jan. 1, 2023, if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 275 of the 2021 Regular Session of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:287.12)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Specify the House Bill No. of the proposed constitutional amendment to which the effectiveness of proposed law is tied.

The House Floor Amendments to the engrossed bill:

1. Increase the rate of the flat tax from 6% to 6.5%.