

2015 Regular Session

HOUSE BILL NO. 383

BY REPRESENTATIVES JACKSON, BURRELL, COX, GAINES, HALL, HUNTER,
JAMES, TERRY LANDRY, PIERRE, SMITH, AND WOODRUFF

TAX/CORP INCOME: Removes the carryback provisions for the net operating loss deduction for purposes of the corporate income tax

1 AN ACT

2 To amend and reenact R.S. 47:246(E) and (G), 287.86(A), (B), (C), (D), and (E),
3 1621(B)(7), and 1623(C) and to repeal R.S. 47:287.86(F), (G), (H), and (I), relative
4 to corporate income tax; to provide for the net operating loss deduction; to eliminate
5 net operating loss deduction carryback; to provide for an effective date; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:246(E) and (G), 287.86(A), (B), (C), (D), and (E), 1621(B)(7),
9 and 1623(C) are hereby amended and reenacted to read as follows:

10 §246. Corporations; deduction from net income from Louisiana sources

11 * * *

12 E. ~~At the election of the taxpayer a net operating loss deduction as~~
13 ~~determined in Subsection B may be a net operating loss carry-back to each of the~~
14 ~~three taxable years preceding the taxable year of such loss. Such election shall be~~
15 ~~made in accordance with rules and regulations prescribed by the Secretary of~~
16 ~~Revenue and Taxation. The first period to which a net operating loss may be carried~~
17 ~~under this provision is taxable years beginning on or after January 1, 1980. For all~~
18 ~~claims for this deduction on any return filed on or after July 1, 2015, regardless of~~
19 ~~the taxable year to which the return relates, no carry-back election shall be allowed.~~

20 * * *

1 day of December of the year in which the tax for the loss year would become due or
 2 the period prescribed in Subsection B or E of this Section with respect to such
 3 taxable year, whichever expires later. No refund shall be allowed for any claim for
 4 this deduction on any return filed on or after July 1, 2015, regardless of the taxable
 5 year to which the return relates.

* * *

7 Section 2. To repeal R.S. 47:287.86(F), (G), (H), and (I) in their entirety.

8 Section 3. The provisions of this Act shall apply to all claims for this deduction on
 9 any return filed on or after July 1, 2015, regardless of the taxable year to which the return
 10 relates.

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 383 Engrossed

2015 Regular Session

Jackson

Abstract: For any claim filed on or after July 1, 2015, regardless of the taxable year to which the return relates, eliminates the three year carryback of the net operating loss deduction for purposes of calculating corporate income tax liability.

Present law provides for imposition, computation, and payment of income tax for estates and property held in trust. Present law further authorizes the net operating loss to be deducted from net income in any of the 15 years immediately following the year in which the loss occurred.

Present law provides a deduction from Louisiana net income for a net operating loss to be carried back three taxable years preceding the taxable year of such loss or carried over to each of the 15 taxable years following the taxable year of such loss.

Proposed law repeals the three year carryback provisions of present law beginning with any claim filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

Present law provides for refunds of overpayment of taxes, penalties, and interest. Further authorizes a refund when La. tax overpayment results from application of a net operating loss carryback.

Proposed law retains present law but repeals provisions relative to net operating loss carry back for any claim filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

Present law provides a three year prescriptive period within which a refund or credit shall be paid and provides for suspension of the prescriptive period. Further provides a time table for prescription when a refund or credit is attributable to a net operating loss deduction carryback election.

Proposed law retains present law but repeals provisions relative to the net operating loss deduction carryback election for any claim filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

Proposed law applies to all claims for the net operating loss deduction on any return filed on or after July 1, 2015, regardless of the taxable year to which the return relates.

(Amends R.S. 47:246(E) and (G), 287.86(A), (B), (C), (D), and (E), 1621(B)(7), and 1623(C); Repeals R.S. 47:287.86(F), (G), (H), and (I))

Summary of Amendments Adopted by House

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

1. Delete application of proposed law to tax years beginning on or after Jan. 1, 2015.
2. Add applicability of proposed law to all returns filed on or after July 1, 2015, regardless of the taxable year to which the return relates.