

Regular Session, 2012

SENATE BILL NO. 302

BY SENATOR PEACOCK

TAX/INCOME/CORPORATE. Phases down the highest corporate income tax rates (5% to 8%) to 4% over a four-year period starting for tax years beginning in 2013. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:32(C) and 287.12, relative to income tax; to reduce corporate  
3 income tax rates; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 47:32(C) and 287.12 are hereby amended and reenacted to read as  
6 follows:

7 §32. Rates of tax

8 \* \* \*

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

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

12 (2)(a) For tax years beginning on or before December 31, 2012, five  
13 ~~percentum~~ **percent** upon the amount of net income above twenty-five thousand  
14 dollars but not in excess of fifty thousand dollars.

15 (b) For tax years beginning on and after January 1, 2013, four percent  
16 upon such net income.

17 (3)(a) For tax years beginning on or before December 31, 2012, six

1           ~~percentum~~ **percent** on the amount of net income above fifty thousand dollars but not  
2           in excess of one hundred thousand dollars.

3                   **(b) For tax years beginning during calendar year 2013, five percent on**  
4                   **such net income.**

5                   **(c) For tax years beginning on and after January 1, 2014, four percent**  
6                   **on such net income.**

7                   **(4)(a) For tax years beginning on or before December 31, 2012,** seven  
8           ~~percentum~~ **percent** on the amount of net income above one hundred thousand dollars  
9           but not in excess of two hundred thousand dollars.

10                   **(b) For tax years beginning during calendar year 2013, six percent on**  
11                   **such net income.**

12                   **(c) For tax years beginning during calendar year 2014, five percent on**  
13                   **such net income.**

14                   **(d) For tax years beginning on and after January 1, 2015, four percent**  
15                   **on such net income.**

16                   **(5)(a) For tax years beginning on or before December 31, 2012,** eight  
17           ~~percentum~~ **percent** on all net income in excess of two hundred thousand dollars.

18                   **(b) For tax years beginning during calendar year 2013, seven percent on**  
19                   **such net income.**

20                   **(c) For tax years beginning during calendar year 2014, six percent on**  
21                   **such net income.**

22                   **(d) For tax years beginning during calendar year 2015, five percent on**  
23                   **such net income.**

24                   **(6) For tax years beginning on and after January 1, 2016, the tax rate**  
25                   **shall be four percent on all net income.**

26   \*       \*       \*

27           §287.12. Rates of tax

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

1 (1) Four percent upon the first twenty-five thousand dollars of Louisiana  
2 taxable income.

3 (2)(a) For tax years beginning on or before December 31, 2012, five  
4 percent upon the amount of Louisiana taxable income above twenty-five thousand  
5 dollars but not in excess of fifty thousand dollars.

6 (b) For tax years beginning on and after January 1, 2013, four percent  
7 upon such income.

8 (3)(a) For tax years beginning on or before December 31, 2012, six  
9 percent on the amount of Louisiana taxable income above fifty thousand dollars but  
10 not in excess of one hundred thousand dollars.

11 (b) For tax years beginning during calendar year 2013, five percent on  
12 such income.

13 (c) For tax years beginning on and after January 1, 2014, four percent  
14 on such income.

15 (4)(a) For tax years beginning on or before December 31, 2012, seven  
16 percent on the amount of Louisiana taxable income above one hundred thousand  
17 dollars but not in excess of two hundred thousand dollars.

18 (b) For tax years beginning during calendar year 2013, six percent on  
19 such income.

20 (c) For tax years beginning during calendar year 2014, five percent on  
21 such income.

22 (d) For tax years beginning on and after January 1, 2015, four percent  
23 on such income.

24 (5)(a) For tax years beginning on or before December 31, 2012, eight  
25 percent on all Louisiana taxable income in excess of two hundred thousand dollars.

26 (b) For tax years beginning during calendar year 2013, seven percent on  
27 such income.

28 (c) For tax years beginning during calendar year 2014, six percent on  
29 such income.

1                    **(d) For tax years beginning during calendar year 2015, five percent on**  
2                    **such income.**

3                    **(6) For tax years beginning on and after January 1, 2016, the tax rate**  
4                    **shall be four percent on all Louisiana taxable income.**

5                    Section 2. This Act shall become effective upon signature by the governor or, if not  
6                    signed by the governor, upon expiration of the time for bills to become law without signature  
7                    by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
8                    vetoed by the governor and subsequently approved by the legislature, this Act shall become  
9                    effective on the day following such approval.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Riley Boudreaux.

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#### DIGEST

Present law levies a tax on corporations at the following rates:

1. 4% on the first \$25,000 of net income.
2. 5% on the amount above \$25,000 to \$50,000.
3. 6% on the amount above \$50,000 to \$100,000.
4. 7% on the amount above \$100,000 to \$200,000.
5. 8% on all net income above \$200,000.

Proposed law phases-down all the rates above 4% over a four-year period starting for tax years beginning in 2013, so that all income is taxed at the 4% rate, as follows:

1. The 5% rate is phased down to 4% for tax years beginning on and after January 1, 2013.
2. The 6% rate is phased down:  
For tax years beginning during calendar year 2013, 5.0%.  
For tax years beginning on and after Jan. 1, 2014, 4.0%.
3. The 7% rate is phased down:  
For tax years beginning during calendar year 2013, 6.0%.  
For tax years beginning during calendar year 2014, 5.0%.  
For tax years beginning on and after Jan. 1, 2015, 4.0%.
4. The 8% rate is phased down:  
For tax years beginning during calendar year 2013, 7.0%.  
For tax years beginning during calendar year 2014, 6.0%.  
For tax years beginning during calendar year 2015, 5.0%.

For tax years beginning on and after January 1, 2016, the tax rate is 4% on all Louisiana taxable income.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:32(C) and 287.12)