

2016 First Extraordinary Session

SENATE BILL NO. 8

BY SENATOR DONAHUE

TAX/TAXATION. Limits the period for carryforward of net operating losses. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:181(B) and 287.86(B), relative to the deduction for net
3 operating losses; to limit the carryforward period for estates, trusts and corporations;
4 and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:181(B) and 287.86(B) are hereby amended and reenacted to read
7 as follows:

8 §181. Imposition of tax on estates and trusts

9 * * *

10 B. Computation and payment.

11 (1) The tax shall be computed upon the net income of the estate or trust, and
12 shall be paid by the fiduciary, except as provided in R.S. 47:186, relating to
13 revocable trusts, and R.S. 47:187 relating to income for benefit of the grantor. For
14 return made by the beneficiary see R.S. 47:162.

15 (2) The amount of a net operating loss for any tax year beginning on or after
16 January 1, 1992, may be deducted from net income in any of the fifteen years
17 immediately following the year in which the loss occurred.

1 (3) ~~The amount of a net operating loss for any tax year beginning on or after~~
2 ~~January 1, 2000, may be deducted from net income in any of the twenty years~~
3 ~~immediately following the year in which the loss occurred.~~

4 * * *

5 §287.86. Net operating loss deduction

6 * * *

7 B. Net operating loss ~~carrybacks and~~ carryovers. For all claims for this
8 deduction on any return filed on or after ~~July 1, 2015~~ **April 1, 2016**, regardless of the
9 taxable year to which the return relates, the taxable years to which a Louisiana net
10 loss may be carried shall be a net operating loss carryover to each of the ~~twenty~~
11 **fifteen** taxable years following the taxable year of such loss.

12 * * *

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

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

DIGEST

SB 8 Original

2016 First Extraordinary Session

Donahue

Present law authorizes a twenty year carryforward period for net operating losses incurred by estates, trusts and corporations.

Proposed law reduces the carryforward period to fifteen years.

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

(Amends R.S. 47:181(B) and 287.86(B))