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## DIGEST

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HB 263 Reengrossed

2019 Regular Session

Stokes

**Abstract:** Provides for the order of loss years from which a net operating loss may be carried over in certain circumstances.

Present law provides for a deduction from corporate income tax for 72% of the amount of net operating loss incurred in La. and authorizes carryforward of excess net operating loss for a period of 20 years.

Present law requires net operating loss to be applied for purposes of reducing La. net income in order of the year of the loss, beginning with the most recent taxable year.

Proposed law changes present law by requiring net operating loss from the earliest taxable year to be applied first.

Applicable for all taxable periods beginning on or after Jan. 1, 2020.

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

(Amends R.S. 47:287.86(C)(2))

## Summary of Amendments Adopted by House

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

1. Make technical amendment.

The House Floor Amendments to the engrossed bill:

1. Change the bill from one that repeals the deductibility of federal income taxes for purposes of calculating income taxes and changing the corporate income tax rates to one that establishes the order of loss years for which a net operating loss may be carried over.
2. Change the effectiveness of proposed law from one contingent upon passage of a proposed constitutional amendment to one effective upon signature of the governor.