HLS 17RS-800 ORIGINAL

2017 Regular Session

HOUSE BILL NO. 555

1

BY REPRESENTATIVE JACKSON

TAX/CORP INCOME: Provides relative to the corporate income tax deduction for certain dividend income

AN ACT

2	To amend and reenact R.S. 47:287.71(B)(6), relative to corporate income tax; to provide for
3	a deduction for dividends by certain regulated entities; to provide for effectiveness;
4	and to provide for related matters.
5	Be it enacted by the Legislature of Louisiana:
6	Section 1. R.S. 47:287.71(B)(6) is hereby amended and reenacted to read as follows:
7	§287.71. Modifications to federal gross income
8	* * *
9	B. There shall be subtracted from gross income determined under federal
0	law, unless already excluded therefrom, the following items:
1	* * *
12	(6)(a) Amounts received as dividend income from banking corporations
13	organized under the laws of Louisiana, from national banking corporations doing
14	business in Louisiana, and from capital stock associations whose stock is subject to
15	ad valorem taxation.
16	(b) Amounts received as dividend income by any member of a regulated
17	group of entities. For purposes of this Subparagraph, the following terms shall have
18	the meanings ascribed to them:
19	(i) "Legal entities" shall include, but is not limited to, corporations, limited
20	liability companies, partnerships, or any other form of business organization.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1 (ii) "Regulated group of entities" shall mean a group comprised of a parent
2 entity and any other legal entities in which the parent entity directly or indirectly
3 owns at least fifty percent of either the vote or the value of the stock, membership
4 interest, partnership interest, or other ownership interest and at least one of the
5 members of the group is regulated by the Louisiana Public Service Commission as
6 either a telecommunications service provider or an electric utility.
7 * * *
8 Section 2. This Act shall become effective on January 1, 2018.

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 555 Original

2017 Regular Session

Jackson

Abstract: Provides a corporate income tax deduction for dividend income received by certain regulated groups of entities.

<u>Present law</u> provides a deduction from corporation income amounts received as dividend income from certain La. banking corporations, national banking corporations, and from capital stock associations whose stock is subject to ad valorem taxation.

<u>Proposed law</u> retains <u>present law</u> and adds dividend income received by a regulated group of entities to the list of dividend income that may be deducted from corporation income.

<u>Proposed law</u> defines "regulated group of entities" to mean a group made up of a parent entity and other legal entities when the parent entity owns a majority of either the vote or the value of stock, membership interest, partnership interest, or other ownership interest. Requires at least one of the members of the group to be regulated by the La. Public Service Commission as either a telecommunications service provider or an electric utility.

<u>Proposed law</u> defines "legal entities" to include, but not be limited to, corporations, limited liability companies, partnerships, or any other forms of business organizations.

Effective Jan. 1, 2018.

(Amends R.S. 47:287.71(B)(6))