

2023 Regular Session

HOUSE BILL NO. 622

BY REPRESENTATIVE BEAULLIEU

TAX/CORP INCOME: Increases the net operating loss deduction allowed for tax year 2023 and thereafter

1 AN ACT

2 To amend and reenact R.S. 47:287.69 and 287.86(A), relative to corporation income tax; to
3 provide with respect to the net operating loss deduction; to provide for the amount
4 of the deduction; to provide for limitations; to provide for applicability; to provide
5 for effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:287.69 and 287.86(A) are hereby amended and reenacted to read
8 as follows:

9 §287.69. Louisiana taxable income defined

10 "Louisiana taxable income" means Louisiana net income after adjustments.

11 "After adjustments" means after the application of the net operating loss ~~adjustment~~
12 deduction allowed by R.S. 47:287.86.

13 * * *

14 §287.86. Net operating loss deduction

15 A. Deduction from Louisiana net income. ~~(1) Except as otherwise provided,~~
16 ~~for~~ For all claims for this deduction on any return filed on or after July 1, 2015, for
17 taxable years beginning prior to January 1, 2023, ~~regardless of the taxable year to~~
18 ~~which the return relates~~; there shall be allowed for the taxable year a deduction
19 reducing Louisiana net income in an amount equal to seventy-two percent of the net

1 operating loss carryovers to such year, but the deduction shall never exceed
2 seventy-two percent of Louisiana net income.

3 (2) For all claims for this deduction on any return for a taxable year
4 beginning on or after January 1, 2023, there shall be allowed for the taxable year a
5 deduction reducing Louisiana net income in an amount equal to the amount of net
6 operating loss carryovers to such year.

7 * * *

8 Section 2. The provisions of this Act shall apply to taxable periods beginning on or
9 after January 1, 2023.

10 Section 3. This Act shall become effective upon signature by the governor or, if not
11 signed by the governor, upon expiration of the time for bills to become law without signature
12 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
13 vetoed by the governor and subsequently approved by the legislature, this Act shall become
14 effective on the day following such approval.

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 622 Original

2023 Regular Session

Beaulieu

Abstract: For each taxable year beginning on or after Jan. 1, 2023, increases the net operating loss deduction from 72% to 100% of a corporation's net operating loss carryovers to that year.

Present law relative to corporation income tax authorizes a net operating loss deduction. Provides that, for any taxable year, there shall be allowed a deduction reducing a corporation's La. net income in an amount equal to 72% of the corporation's net operating loss carryovers to that year.

Proposed law limits the applicability of the deduction amount allowed by present law to taxable years beginning prior to Jan. 1, 2023.

Proposed law provides that for all claims for the net operating loss deduction on any return for a taxable year beginning on or after Jan. 1, 2023, there shall be allowed for the taxable year a deduction reducing a corporation's La. net income in an amount equal to the full amount of the corporation's net operating loss carryovers to that year.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2023.

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

(Amends R.S. 47:287.69 and 287.86(A))