

2015 Regular Session

HOUSE BILL NO. 658

BY REPRESENTATIVE HUNTER

TAX/CORP INCOME: Provides with respect to the net operating loss deduction for purposes of the corporate income tax

1 AN ACT

2 To amend and reenact R.S. 47:246(E) and 287.86(A) and (B), relative to corporate income  
3 tax; to provide for the net operating loss deduction; to reduce net operating loss  
4 deduction carryback; to provide for an effective date; and to provide for related  
5 matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:246(E) and 287.86(A) and (B) are hereby amended and reenacted  
8 to read as follows:

9 §246. Corporations; deduction from net income from Louisiana sources

10 \* \* \*

11 E. ~~At~~ For losses incurred for taxable years prior to January 1, 2015, at the  
12 election of the taxpayer, a net operating loss deduction as determined in Subsection  
13 B of this Section may be a net operating loss ~~carry-back~~ carryback to each of the  
14 three taxable years preceding the taxable year of such loss. For losses incurred for  
15 taxable years beginning on or after January 1, 2015, at the election of the taxpayer,  
16 a net operating loss deduction as determined by Subsection B of this Section may be  
17 a net operating loss carryback to one taxable year preceding the taxable year of such  
18 loss. Such election shall be made in accordance with rules and regulations  
19 prescribed by the Secretary of the Department of Revenue. The first period to which

1 a net operating loss may be carried under this provision is taxable years beginning  
2 on or after January 1, 1980.

3 \* \* \*

4 §287.86. Net operating loss deduction

5 A. Deduction from Louisiana net income. Except as otherwise provided, for  
6 losses incurred for taxable years beginning on or after January 1, 2015, there shall  
7 be allowed for the taxable year an adjustment reducing Louisiana net income in an  
8 amount equal to the ~~aggregate of:~~

9 ~~(1) The net operating loss carryovers to such year, plus,~~

10 ~~(2) The net operating loss carrybacks to such year.~~

11 B. Net operating loss carrybacks and carryovers. The taxable years to which  
12 a Louisiana net loss may be carried shall be:

13 (1) ~~A~~ For losses incurred for taxable years beginning on or after January 1,  
14 1984, and before January 1, 2015, net operating loss carryback to each of the three  
15 taxable years preceding the taxable year of such loss, unless carryback treatment is  
16 relinquished pursuant to R.S. 47:287.86(D).

17 (2) For losses incurred for taxable years beginning on or after January 1,  
18 2015, net operating loss carryback to the taxable year preceding the taxable year of  
19 such loss, unless carryback treatment is relinquished pursuant to R.S. 287.86(D).

20 ~~(2)~~ (3) For losses incurred for taxable years beginning before January 1,  
21 1984, a net operating loss carryover to each of the five taxable years following the  
22 taxable year of such loss.

23 (4) For losses incurred for taxable years beginning on or after January 1,  
24 1984, a net operating loss carryover to each of the fifteen taxable years following the  
25 taxable year of such loss.

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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)]

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HB 658 Original

2015 Regular Session

Hunter

**Abstract:** Reduces the carryback of the net operating loss deduction for purposes of calculating corporate income tax liability from three years to one year.

Present law provides a deduction from Louisiana net income for a net operating loss to be carried back three taxable years preceding the taxable year of such loss or carried over to each of the 15 taxable years following the taxable year of such loss.

Proposed law retains present law but reduces the carryback of the net operating loss deduction from three years to one year.

(Amends 47:246(E) and 287.86(A) and (B))