2020 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 66

BY REPRESENTATIVE BISHOP

TAX/CORP FRANCHISE: Suspends the lower tier of the corporation franchise tax levied on domestic and foreign corporations and the initial tax levied on certain business entities subject to the corporate franchise tax

1	A CONCURRENT RESOLUTION
2	To suspend until sixty days after final adjournment of the 2021 Regular Session of the
3	Legislature of Louisiana the state corporation franchise tax levied on domestic and
4	foreign corporations at the rate of one dollar and fifty cents for each one thousand
5	dollars, or major fraction thereof on the first three hundred thousand dollars of
6	taxable capital pursuant to the provisions of R.S. 47:601(A) and to suspend the initial
7	tax levied on corporations or other entities for the first accounting period in which
8	the entity becomes subject to the corporation franchise tax pursuant to the provisions
9	of R.S. 47:611(A).
10	WHEREAS, On March 11, 2020, Governor John Bel Edwards issued Emergency
11	Proclamation Number 25 JBE 2020, which declared a statewide public health emergency as
12	a result of the imminent threat posed to Louisiana citizens by the outbreak of a respiratory
13	disease caused by a novel coronavirus known commonly as COVID-19; and
14	WHEREAS, on March 13, 2020, Governor John Bel Edwards issued Emergency
15	Proclamation Number 27 JBE 2020, which supplemented the measures taken in his
16	declaration of a public health emergency with additional restrictions in order to further
17	protect the health and safety of the public because of COVID-19; and
18	WHEREAS, On March 22, 2020, Governor John Bel Edwards issued Emergency
19	Proclamation Number 33 JBE 2020 which implemented additional measures, including a
20	general stay-at-home order to the public and the temporary closure of certain businesses and

1 further limiting the operations of certain non-essential businesses to the public to mitigate 2 the impact of COVID-19, and to disrupt the spread of the virus; and 3 WHEREAS, as a result of the issuance of the general stay-at-home order and the 4 temporary closure of certain businesses and the further limiting of the operations of certain non-essential businesses to the public, businesses as well as employees have suffered great 5 6 economic losses; and 7 WHEREAS, in an effort to mitigate some of the financial losses suffered by 8 businesses, the state should consider temporarily suspending the state corporation franchise 9 tax levied on domestic and foreign corporations and suspending the initial tax levied on 10 corporations or other entities for the first accounting period in which the entity becomes 11 subject to the corporation franchise tax. 12 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana hereby suspends 13 the provisions of the state corporation franchise tax levied on domestic and foreign 14 corporations at the rate of one dollar and fifty cents for each one thousand dollars, or major 15 fraction thereof on the first three hundred thousand dollars of taxable capital pursuant to the 16 provisions of R.S. 47:601(A) and suspends the initial tax levied on corporations or other 17 entities for the first accounting period in which the entity becomes subject to the corporation 18 franchise tax pursuant to the provisions of R.S. 47:611(A). 19 BE IT FURTHER RESOLVED that this suspension shall become effective upon 20 adoption of this Resolution and shall extend through the sixtieth day after final adjournment 21 of the 2021 Regular Session of the Legislature of Louisiana.

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)]

HCR 66 Engrossed

2020 Regular Session

Bishop

Suspends the state corporation franchise tax levied at the rate of \$1.50 for each \$1,000, or major fraction thereof on the first \$300,000 of taxable capital on domestic and foreign corporations and the initial tax levied on corporations or other entities for the first accounting period in which the entity becomes subject to the corporation franchise tax.

(Suspends R.S. 47:601(A) and 611(A))

Summary of Amendments Adopted by House

- The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:
- 1. Limit the suspension of the corporation franchise tax to the tax levied at the rate of \$1.50 for each \$1,000, or major fraction thereof on the first \$300,000 of taxable capital on domestic and foreign corporations.