

2023 Regular Session

SENATE BILL NO. 9

BY SENATOR FOIL

TAX/FRANCHISE/CORPORATE. Exempts certain real estate investment trusts from the corporate franchise tax. (gov sig)

1 AN ACT

2 To amend and reenact the introductory paragraph of R.S. 47:601(C)(1) and R.S.
3 47:601(C)(1)(c), relative to exemptions from the corporation franchise tax for limited
4 liability companies that file as real estate investment trusts for federal income tax
5 purposes; to exempt these companies filing as a real estate investment trust for
6 federal income tax purposes when one hundred percent of the company's shares of
7 common stock are owned by a tax-exempt organization; to provide for limitations;
8 to provide for effectiveness; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. The introductory paragraph of R.S. 47:601(C)(1) and R.S. 47:601(C)(1)(c)
11 are hereby amended and reenacted to read as follows:

12 §601. Imposition of tax

13 * * *

14 C.(1) As used ~~herein~~ **in this Chapter** the term "domestic corporation" shall
15 mean and include any of the following:

16 * * *

17 (c) ~~Nothing in this Subsection shall extend franchise tax liability to any~~ **The**

of "domestic corporation" that are organized as limited liability companies (LLCs) that were qualified and eligible to file as a Subchapter S corporation or were acquired by an entity taxed as a Subchapter S corporation.

Proposed law provides for an additional exception for LLCs filing as a real estate investment trust (REIT) for federal income tax purposes if 100% of the LLC's common stock is owned by a tax-exempt organization provided that both the stock ownership and REIT filing requirements were met no later than July 1, 2023.

Effective upon the signature of the governor.

(Amends R.S. 47:601(C)(1)(intro para) and (c))