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AN ACT

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

Be it enacted by the Legislature of Louisiana:

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

§601. Imposition of tax

* * *

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

* * *

~~(c) Nothing in this Subsection shall extend franchise tax liability to any~~ **The term "domestic corporation" shall not include either:**

(i) A limited liability company qualified and eligible to make an election to be taxed in accordance with the provisions of 26 U.S.C. Subtitle A, Chapter 1, Subchapter S on the first day of its fiscal or annual year or to any other entity that was acquired before January 1, 2014, but not earlier than January 1, 2012, by an entity that was taxed pursuant to 26 U.S.C.; Subtitle A, Chapter 1, Subchapter S.

1 (ii) A limited liability company filing as a real estate investment trust for
 2 federal income tax purposes in which one hundred percent of the limited
 3 liability company's shares of common stock are owned by a tax-exempt
 4 organization and the limited liability company met these requirements on or
 5 before July 1, 2023.

* * *

7 Section 2. This Act shall become effective upon signature by the governor or, if not
 8 signed by the governor, upon expiration of the time for bills to become law without signature
 9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 11 effective on the day following such approval.

12 Section 3. The provisions of this Act shall apply to all franchise taxable periods
 13 beginning on and after January 1, 2024.

PRESIDENT OF THE SENATE

SPEAKER OF THE HOUSE OF REPRESENTATIVES

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____