

2016 First Extraordinary Session

HOUSE BILL NO. 85

BY REPRESENTATIVE JAY MORRIS

TAX/INCOME TAX: Provides relative to the allowable amount of net operating loss deduction (Item #12)

1 AN ACT

2 To amend and reenact R.S. 47:287.86(A) and to repeal the provisions of Section 3 of Act
3 No. 123 of the 2015 Regular Session of the legislature amending R.S. 47:287.86(A)
4 (introductory paragraph), relative to the net operating loss deduction for corporate
5 income tax; to limit the amount of the deduction; to provide for applicability; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

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

9 §287.86. Net operating loss deduction

10 A. Deduction from Louisiana net income. Except as otherwise provided, for
11 all claims for this deduction on any return filed on or after July 1, 2015, regardless
12 of the taxable year to which the return relates, there shall be allowed for the taxable
13 year ~~an adjustment~~ a deduction reducing Louisiana net income in an amount equal
14 to ~~seventy-two~~ fifty percent of the net operating loss carryovers to such year, but the
15 deduction shall not exceed seventy-two percent of Louisiana net income.

16 * * *

17 Section 2. Any deduction for net operating loss authorized by Section (5)(C) of Act
18 No. 123 of the 2015 Regular Session of the Legislature shall be allowed in addition to the
19 net operating loss deduction authorized by Section 1 of this Act.

1 Section 3. The provisions of Section 3 of Act No. 123 of the 2015 Regular Session
2 of the legislature amending R.S. 47:287.86(A)(introductory paragraph) are hereby repealed
3 in their entirety.

4 Section 4. The provisions of this Act shall become effective January 1, 2016.

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 85 Original

2016 First Extraordinary Session

Jay Morris

Abstract: Prohibits the amount of the net operating loss deduction from exceeding 72% of La. net income.

Present law provides for a deduction from corporate income tax for 72% of the amount of net operating loss incurred in La.

Proposed law reduces the portion of the net operating loss that may be deducted from 72% of the loss incurred in La. to 50%. Further prohibits the amount of the deduction from exceeding 72% of the value of La. net income.

Effective January 1, 2016.

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