

2025 Regular Session

HOUSE BILL NO.

BY

TAX/CORP INCOME: Provides for a flat rate for purposes of calculating corporate income tax and terminates certain corporate income tax exemptions, deductions, and credits

1 AN ACT

2 To amend and reenact R.S. 47:287.12, 287.750(I), 4302(B), 6007(I), 6015(J), 6019(A)(1)(a)

3 and (C), 6020(H), 6022(D)(4)(introductory paragraph), 6023(I), and 6034(K), and

4 R.S. 51:1787(L) and 2461, to enact R.S. 47:287.73(C)(6), 287.744, 3204(M), and

5 6022(M), and R.S. 51:2399.3(C), and to repeal R.S. 17:3389, Part II of Chapter 26

6 of the Louisiana Revised Statutes of 1950, comprised of R.S. 25:1226 through

7 1226.6, R.S. 47:12, 34, 37, 287.73(C)(4), 287.95(H), 287.748, 287.749, 287.752,

8 287.755, 287.758, 287.759, 301(10)(a)(vi), 4331, 6005(G), 6006, 6008(D), 6011,

9 6012(F), 6013(D), 6014(F), 6015(L), 6016, 6016.1(N), 6017(C), 6018, 6021,

10 6022(L), 6025, 6026, 6027, 6030, 6032(H), 6035, 6036, 6036.1, 6037, 6041,

11 6104(D), 6105(B), 6106(E), and 6107(C), Chapter 22 of Title 51 of the Louisiana

12 Revised Statutes of 1950, comprised of R.S. 51:1801 through 1813, R.S. 51:1932,

13 Part VI of Chapter 39 of Title 51 of the Louisiana Revised Statutes of 1950,

14 comprised of R.S. 51:2351 through 2360, Chapter 52 of Title 51 of the Louisiana

15 Revised Statutes of 1950, comprised of R.S. 51:3081 through 3094, Chapter 54 of

16 Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S. 51:3111

17 through 3115, and Chapter 55 of Title 51 of the Louisiana Revised Statutes of 1950,

18 comprised of R.S. 51:3121, relative to corporate income tax; and to provide for

19 related matters.

20 Be it enacted by the Legislature of Louisiana:

1 Section 1. R.S. 47:287.12, 287.750(I), 4302(B), 6007(I), 6015(J), 6019(A)(1)(a) and
2 (C), 6020(H), 6022(D)(4)(introductory paragraph), 6023(I) and 6034(K) are hereby amended
3 and reenacted and R.S. 47:287.73(C)(6), 287.744, 3204(M), and 6022(M) are hereby enacted
4 to read as follows:

5 §287.12. Rates of tax

6 The tax to be assessed, levied, collected, and paid upon the Louisiana taxable
7 income of every corporation shall be computed at the rate of: three and one-half
8 percent.

9 ~~(1) Three and one-half percent upon the first fifty thousand dollars of~~
10 ~~Louisiana taxable income.~~

11 ~~(2) Five and one-half percent on the amount of Louisiana taxable income~~
12 ~~above fifty thousand dollars but not in excess of one hundred fifty thousand dollars.~~

13 ~~(3) Seven and one-half percent on the amount of Louisiana taxable income~~
14 ~~above one hundred fifty thousand dollars.~~

15 * * *

16 §287.73. Modifications to deductions from gross income allowed by federal law

17 * * *

18 C. Additions. The following items are declared allowable as deductions in
19 the computation of net income and shall be added to the deductions allowed under
20 federal law to the extent not already included therein:

21 * * *

22 (6) The bonus depreciation deduction provided for in R. S. 47:287.744.

23 * * *

24 §287.744 Bonus depreciation deduction; full expensing

25 A. General. For taxable years beginning on or after January 1, 2025, federal
26 adjusted gross income shall be reduced by the amounts allowed to be deducted
27 pursuant to this Section.

28 B. Definitions. For purposes of this Section, the following words shall have
29 the following meanings:

1 (1) "Full expensing" means a method for taxpayers to recover costs for
2 certain expenditures in depreciable business assets by immediately deducting the full
3 cost of the expenditures in the tax year in which the property is placed in service.

4 (2) "Internal Revenue Code" means Title 26 of the United States Code also
5 known as the Federal Internal Revenue Code of 1986, as amended.

6 (3) "Qualified improvement property" shall have the same meaning as it is
7 defined in the Internal Revenue Code Section 168(e)(6), as it existed on January 1,
8 2021, and shall apply to property placed in service after December 31, 2022.

9 (4) "Qualified property" shall have the same meaning as it is defined in the
10 Internal Revenue Code Section 168(k), as it existed on January 1, 2021, and shall
11 apply to property placed in service after December 31, 2022.

12 (5) "Research or experimental expenditures" has the same meaning as it is
13 defined in 26 C.F.R.1.174-2.

14 C. Internal Revenue Code Section 168 election.

15 (1) The cost of expenditures for business assets that are qualified property
16 or qualified improvement property included pursuant to Internal Revenue Code
17 Section 168 shall be eligible for full expensing and may be deducted as an expense
18 incurred by the taxpayer during the taxable year during which the property is placed
19 in service.

20 (2) Notwithstanding the provisions of Paragraph (1) of this Subsection, if a
21 taxpayer does not fully expense the costs of qualified property or qualified
22 improvement property in the taxable year in which the property is placed in service,
23 the taxpayer may elect to depreciate the costs in accordance with the schedule
24 provided in Internal Revenue Code Section 168.

25 D. Internal Revenue Code Section 174 election.

26 (1) A taxpayer may treat specified research or experimental expenditures that
27 are paid or incurred by the taxpayer during the tax year in connection with the
28 taxpayer's trade or business as expenses that are not chargeable to the capital
29 account. These research or experimental expenditures not charged to the capital

1 account shall be allowed as an immediate deduction and shall remain allowable as
2 a full and immediate expense deduction in the year in which the expenses are
3 incurred.

4 (2) Notwithstanding Paragraph (1) of this Subsection, if the taxpayer does not
5 fully expense costs for specified research or experimental expenditures in the taxable
6 year in which the property is placed in service, the taxpayer may elect to depreciate
7 the costs in accordance with the schedule provided in Internal Revenue Code Section
8 174.

9 E. Internal Revenue Code Section 179 election. A taxpayer may elect to treat
10 the cost of any Internal Revenue Code Section 179 property as an expense which is
11 not chargeable to the capital account. Any cost of Internal Revenue Code Section
12 179 property not charged as an expense to the capital account shall be allowed as an
13 immediate deduction for the taxable year in which the Internal Revenue Code
14 Section 179 property is placed in service.

15 F. Limitation. A deduction pursuant to this Section shall be allowed only to
16 the extent that the cost has not already been deducted in determining federal adjusted
17 gross income or, for corporations and fiduciaries, federal taxable income.

18 G. Change in method. Elections may be made for any tax year if made not
19 later than the time prescribed by law for filing the return for the tax year, including
20 requests for extensions. The taxpayer's election to recover investment costs through
21 immediate expensing in the year the investment cost is incurred or amortized over
22 an amortization schedule is irrevocable unless specifically authorized by the
23 secretary of the Department of Revenue.

24 H. Pass-through entities. If a deduction under this Section is for a
25 corporation having an election in effect under subchapter S of the Internal Revenue
26 Code, a corporation, a partnership, a limited liability company, an estate, or a trust,
27 the deduction may be claimed by the shareholders, partners, members, or
28 beneficiaries in the same manner as those shareholders, partners, members, or

1 beneficiaries account for their proportionate shares of the income or losses of the
2 corporation, partnership, limited liability company, estate, or trust.

3 I. Administration. The Department of Revenue may promulgate rules and
4 regulations in accordance with the Administrative Procedure Act as are necessary to
5 implement the provisions of this Section.

6 * * *

7 §287.750. Louisiana work opportunity tax credit

8 * * *

9 I. No credit shall be granted pursuant to this Section after ~~June 30, 2027~~
10 December 31, 2024.

11 * * *

12 §3204. Contracts of exemption; renegotiation; violations; lists; priority of
13 exemptions

14 * * *

15 M. No contracts shall be entered into and no existing contracts may be
16 renewed pursuant to the provisions of this Section on or after January 1, 2025.

17 * * *

18 §4302. Contracts of exemption; renegotiation; violation; lists

19 * * *

20 B.(1) Each contract of exemption entered into under authority of this Chapter
21 may be renewed for periods of up to five years, provided that the total number of
22 years of exemption shall not exceed fifteen years unless otherwise provided in R.S.
23 47:3204(B)(1)(c).

24 (2) No contracts shall be entered into and no existing contracts may be
25 renewed pursuant to the provisions of this Section on or after January 1, 2025.

26 * * *

27 §6007. Motion picture production tax credit

28 * * *

1 I. No credits shall be allowed pursuant to this Section for applications
2 received on or after ~~July 1, 2031~~ January 1, 2025.

3 * * *

4 §6015. Research and development tax credit

5 * * *

6 J. No credit shall be allowed pursuant to this Section for research
7 expenditures incurred, Small Business Technology Transfer Program funds received
8 or Small Business Innovation Research Grant funds received after ~~December 31,~~
9 ~~2029~~ December 31, 2024.

10 * * *

11 §6019. Tax credit; rehabilitation of historic structures

12 A.(1)(a)(i) There shall be a credit against income and corporation franchise
13 tax for the amount of eligible costs and expenses incurred during the rehabilitation
14 of a historic structure located in a downtown development district, located in a
15 cultural district, or contributing to the National Register of Historic Places. The
16 amount of the credit shall equal twenty-five percent of the eligible costs and
17 expenses of the rehabilitation incurred prior to January 1, 2018, regardless of the
18 year in which the property is placed in service. The amount of the credit shall equal
19 twenty percent of the eligible costs and expenses of the rehabilitation incurred on or
20 after January 1, 2018, and before January 1, 2023, regardless of the year in which the
21 property is placed in service. The amount of the credit shall equal twenty-five
22 percent of the eligible costs and expenses of the rehabilitation incurred on or after
23 January 1, 2023, and before ~~January 1, 2029~~ January 1, 2025, regardless of the year
24 in which the property is placed in service. No credit is authorized pursuant to this
25 Section for expenses incurred on or after ~~January 1, 2029~~ January 1, 2025.

26 (ii) For the rehabilitation of a historic structure that meets the requirements
27 of Item (i) of this Subparagraph and is located in a rural area, the amount of the
28 credit shall equal thirty-five percent of the eligible costs and expenses of the

1 rehabilitation incurred on or after January 1, 2023, and before ~~January 1, 2029~~
2 January 1, 2025.

3 * * *

4 C. The provisions of this Section shall be effective for taxable years ending
5 prior to ~~January 1, 2029~~ January 1, 2025.

6 §6020. Angel Investor Tax Credit Program

7 * * *

8 H. No credits shall be granted or reserved under this program for reservation
9 applications received by the department on or after ~~July 1, 2030~~ January 1, 2025.

10 * * *

11 §6022. Digital interactive media and software tax credit

12 * * *

13 D. Tax credit; specific projects.

14 * * *

15 (4) For applications for state-certified productions submitted to the office on
16 or after July 1, 2017, and before January 1, 2025, and subsequently approved by the
17 office and secretary, there are hereby authorized tax credits that shall be earned by
18 a company at the time funds are expended in Louisiana on a state-certified
19 production as follows:

20 * * *

21 M. No credit shall be granted pursuant to the provisions of this Section for
22 applications received on or after January 1, 2025.

23 §6023. Sound recording investor tax credit

24 * * *

25 I. No credits shall be granted pursuant to the provisions of this Section for
26 applications received on or after ~~July 1, 2026~~ January 1, 2025.

27 * * *

28 §6034. Musical and theatrical production income tax credit

29 * * *

1 K. No credit shall be granted pursuant to this Section for applications
2 received on or after ~~July 1, 2025~~ January 1, 2025.

3 Section 2. R.S. 51:1787(L) and 2461 are hereby amended and reenacted and R.S.
4 51:2399.3(C) is hereby enacted to read as follows:

5 §1787. Enterprise zone incentives

6 * * *

7 L. The department shall not accept any advance notification on or after ~~July~~
8 ~~1, 2026~~ January 1, 2025.

9 * * *

10 §2399.3. Modernization tax credit

11 * * *

12 C. No credits shall be granted pursuant to the provisions of this Section for
13 applications received on or after January 1, 2025.

14 * * *

15 §2461. Application deadline

16 No new advance notifications under this Chapter shall be accepted by the
17 Department of Economic Development after ~~June 30, 2026~~ January 1, 2025.

18 However, an employer that was approved by the department to receive incentives
19 under the program on or before ~~June 30, 2026~~ January 1, 2025, shall continue to
20 receive incentives pursuant to the terms of its agreement with the state of Louisiana
21 as long as the employer retains its eligibility.

22 Section 3. R.S. 17:3389, Part II of Chapter 26 of the Louisiana Revised Statutes of
23 1950, comprised of R.S. 25:1226 through 1226.6, R.S. 47:12, 34, 37, 287.73(C)(4),
24 287.95(H), 287.748, 287.749, 287.752, 287.755, 287.758, 287.759, 301(10)(a)(vi), 4331,
25 6005(G), 6006, 6008(D), 6011, 6012(F), 6013(D), 6014(F), 6015(L), 6016, 6016.1(N),
26 6017(C), 6018, 6021, 6022(L), 6025, 6026, 6027, 6030, 6032(H), 6035, 6036, 6036.1, 6037,
27 6041, 6104(D), 6105(B), 6106(E), and 6107(C), Chapter 22 of Title 51 of the Louisiana
28 Revised Statutes of 1950, comprised of R.S. 51:1801 through 1813, R.S. 51:1932, Part VI
29 of Chapter 39 of Title 51 of the Louisiana Revised Statutes of 1950, comprised of R.S.

1 51:2351 through 2360, Chapter 52 of Title 51 of the Louisiana Revised Statutes of 1950,
2 comprised of R.S. 51:3081 through 3094, Chapter 54 of Title 51 of the Louisiana Revised
3 Statutes of 1950, comprised of R.S. 51:3111 through 3115, and Chapter 55 of Title 51 of the
4 Louisiana Revised Statutes of 1950, comprised of R.S. 51:3121 are hereby repealed in their
5 entirety.

6 Section 4. The provisions of this Act shall be applicable to income tax periods
7 beginning on or after January 1, 2025, and franchise tax periods beginning on or after
8 January 1, 2026.

9 Section 5. This Act shall become effective upon signature by the governor or, if not
10 signed by the governor, upon expiration of the time for bills to become law without signature
11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
13 effective on the day following such approval.

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 Draft

2025 Regular Session

Abstract: ABSTRACT

(Amends R.S. 47:287.12, 287.750(I), 4302(B), 6007(I), 6015(J), 6019(A)(1)(a) and (C), 6020(H), 6022(D)(4)(intro. para.), 6023(I), and 6034(K), R.S. 51:1787(L) and 2461; Enacts R.S. 47:287.73(C)(6), 287.744, 3204(M), and 6022(M), and R.S. 51:2399.3(C); Repeals R.S. 17:3389, R.S. 25:1226 thru 1226.6, R.S. 47:12, 34, 37, 287.73(C)(4), 287.95(H), 287.748, 287.749, 287.752, 287.755, 287.758, 287.759, 301(10)(a)(vi), 4331, 6005(G), 6006, 6008(D), 6011, 6012(F), 6013(D), 6014(F), 6015(L), 6016, 6016.1(N), 6017(C), 6018, 6021, 6022(L), 6025, 6026, 6027, 6030, 6032(H), 6035, 6036, 6036.1, 6037, 6041, 6104(D), 6105(B), 6106(E), and 6107(C), R.S. 51:1801 thru 1813, 1932, 2351 thru 2360, 3081 thru 3094, 3111 thru 3115, and 3121)