

Income/Franchise:

Louisiana: New Law Addresses State Treatment of Federal Partnership Audit Regime Changes and RARs

S.B. 160, signed by gov. 6/14/21. Effective immediately, new law explains how and when some partnerships must report federal tax adjustments to the Louisiana Department of Revenue (Department) in response to changes in the federal partnership audit and adjustment process under the federal 2015 Bipartisan Budget Act, allowing impacted partnerships the option to handle a resulting state tax liability change at the partnership level rather than require each partner to file an amended state return. Partnerships choosing to make this election generally must file a federal adjustments report with the Department, notifying the Department of its “partnership pays election” within 90 days of the final determination date. The new law further provides that impacted partnerships making such election must pay an amount in lieu of taxes owed by its partners at the highest corporate tax rate for corporate partners and at the highest individual income tax rate for partners that are individuals, estates, or trusts. Please contact us with any questions.

URL: <https://legis.la.gov/legis/BillInfo.aspx?s=21RS&b=SB160&sbi=y>

— Robert Topp (Houston)
Managing Director
Deloitte Tax LLP
rtopp@deloitte.com

Michael Matthys (Houston)
Senior Manager
Deloitte Tax LLP
mmatthys@deloitte.com

Grace Taylor (Houston)
Senior Manager
Deloitte Tax LLP
grtaylor@deloitte.com

Olivia Schulte (Washington, DC)
Manager
Deloitte Tax LLP
oschulte@deloitte.com

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