

Income/Franchise:

Louisiana DOR Proposes Changes to Rule on Elective Passthrough Entity-Level Income Tax

Proposed Amended Louisiana Administrative Code (LAC) 61:I.1001, La. Dept. of Rev. (9/22). The Louisiana Department of Revenue (Department) is proposing changes to its rule on state law that permits certain passthrough entities to elect to pay Louisiana income tax at the entity level, effective for tax years beginning on or after January 1, 2019 [see S.B. 223 / Act 442 (2019) for more details on this state law]. According to the Department, the proposed changes seek to implement legislation enacted in 2021 [see S.B. 159 / Act 134 (2021) and H.B. 292 / Act 396 (2021) and previously issued Multistate Tax Alert for more details on this legislation] “as it concerns the repeal of the deduction for federal taxes paid and the amendment of rates for taxpayers making a pass-through entity election pursuant to R.S. 47:287.732.2.” Written comments on the proposal are due by October 26, 2022, and a related public hearing is scheduled for October 27, 2022. Please contact us with any questions.

URL: [https://revenue.louisiana.gov/LawsPolicies/LAC%2061.I.1001%20\(Proposed%20Regulation\)\(9-22\).pdf](https://revenue.louisiana.gov/LawsPolicies/LAC%2061.I.1001%20(Proposed%20Regulation)(9-22).pdf)

URL: <http://www.legis.la.gov/legis/BillInfo.aspx?s=19RS&b=SB223&sbi=y>

URL: <https://legis.la.gov/legis/ViewDocument.aspx?d=1235025>

URL: <https://legis.la.gov/legis/ViewDocument.aspx?d=1235794>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-multistate-tax-alert-louisiana-voters-ratify-constitutional-amendment-reducing-tax-rates-and-repealing-federal-income-tax-deduction.pdf>

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