

Income/Franchise:

Louisiana DOR Proposes Rule Changes Reflecting Newly Enacted Pass-Through Entity Tax Revisions

Proposed Amended Louisiana Administrative Code (LAC) section 61:l.1001, La. Dept. of Rev. (12/20/23). The Louisiana Department of Revenue issued proposed rule changes reflecting recently enacted legislation [see H.B. 428 (2023) and previously issued Multistate Tax Alert for more details on this legislation] that revises aspects of Louisiana law permitting certain pass-through entities to elect to be taxed under the corporate rules at the entity level (“PTET Election”) – specifically, provisions i) adding a prospective termination procedure for the PTET Election, and ii) granting an income exclusion for trusts, estates, or partnerships that are a shareholders, members, or partners in an entity that made a PTET Election, which are effective for taxable periods beginning on or after January 1, 2023. A public hearing to discuss this rule proposal is scheduled for January 24, 2024, and any written comments are due by January 23, 2024. Please contact us with any questions.

URL: <https://www.doa.la.gov/media/am2jlli4/2312.pdf>

URL: <https://legis.la.gov/legis/BillInfo.aspx?s=23RS&b=HB428&sbi=y>

URL: <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/Tax/us-tax-multistate-tax-alert-louisiana-enacts-changes-to-pass-through-entity-tax-election.pdf>

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