



**Revenue Information Bulletin**

**No. 05-019**

**September 15, 2005**

**Fiduciary Income Tax, Individual Income Tax, and Corporation Income Tax**

**Exemption of Income From Tobacco Settlement Financing Corporation Bonds**

Income from bonds issued by the Tobacco Settlement Financing Corporation is exempt from Louisiana income taxes.

The Tobacco Settlement Financing Corporation, created by Acts 2001, No. 1145, which enacted R.S. 39:99.1 through 39:99.20, was formed to purchase pledged tobacco settlement revenues from the state of Louisiana financed through the issuance of bonds. R.S. 39:99.17 specifically provides that income from the bonds is exempt from taxation:

The bonds, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free and exempt from taxation by the state of Louisiana and by any other political subdivision of the state.

Because the corporation is a special purpose public corporate entity, independent of the state, the income earned from an investment in the bonds it issued would have been taxable but for this statutory exemption.

Cynthia Bridges  
Secretary

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