

**Revenue Information Bulletin No. 16-023**

**April 8, 2016**

**Corporation Income Taxes**

Act 6 of the 2016 First Extraordinary Session amends R.S. 47:287.86 in order to clarify the legislative intent of Act 123 of the 2015 Regular Legislative Session, which provided for a 28% reduction to the net operating loss deduction. Specifically, Act 6 provides that the deduction for net operating losses is equal to 72% of the net operating loss carried over to such taxable year, but never more than 72% of Louisiana net income for the taxable year. Accordingly, if after reducing the net operating loss carried forward to a given taxable year by 28%, the taxpayer will be limited to claiming a net operating loss equal to 72% of Louisiana net income for the taxable year. Any amount of net operating loss in excess of 72% of Louisiana net income for the taxable year can be carried forward to a future taxable year, subject to the 20 year limitation on carry forwards.

Act 6 is effective January 1, 2016 and applies to any and all returns filed on or after July 1, 2015, regardless of the taxable year to which the return relates. As such, all returns, regardless of tax year, filed on or after July 1, 2015 claiming the deduction for net operating losses are required to be in conformity with the provisions of Act 6.

For questions concerning this matter, please contact the Policy Services Division at (225) 219-2780.

Kimberly L. Robinson  
Secretary