

## **RULE**

### **Department of Revenue Policy Services Division**

#### Corporation Franchise Tax (LAC 61:I.309)

Under the authority of R.S. 47:609 and 1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, has amended LAC 61:I.309 relative to the filing of corporation franchise tax returns.

By amending LAC 61:I.309, the Department of Revenue clarifies the requirements for filing short period Louisiana corporation franchise tax returns when there is a change in accounting periods.

#### **Title 61**

#### **REVENUE AND TAXATION**

#### **Part I. Taxes Collected and Administered by the Secretary of Revenue**

#### **Chapter 3. Corporation Franchise Tax**

#### **§309. Due Date, Payment, and Reporting of Tax**

A. - B. ...

C. Whenever the secretary has granted permission to a corporation to change its accounting period under the provisions of R. S. 47:613, the tax to be paid for the period from the end of the last period for which the tax has already become due until the end of the new accounting period shall be determined by multiplying the ratio that the number of such months bears to 12, times the tax computed for an annual period based on the previous period's closing. All subsequent returns shall be prepared on the basis of the new accounting period.

1. The previous period's closing means the closing of the new accounting period.

2. Example: A taxpayer has been filing Corporation Income and Franchise Tax returns on a FYE June 30 basis. In December 2002, the taxpayer obtains approval to change his accounting year-end to December 31. For franchise tax purposes, a taxpayer will compute the franchise tax due based on its December 31, 2002 information and multiply the tax by 50 percent (6/12). On its prior return, which was based upon the June 30, 2002 balance sheet, the taxpayer paid franchise tax through June 30, 2003. When the taxpayer changes its accounting period to December 31, 2002, the franchise tax is due only for the period July 1, 2003 through December 31, 2003, a period of six months. This short period return will be due April 15, 2003.

D. - H. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:609 and 1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue and Taxation, Income and Corporation Franchise Taxes Section, Office of Group III, LR 6:25 (January 1980), amended LR 11:108 (February 1985), amended by the Department of Revenue, Policy Services Division, LR 28:97 (January 2002), LR 30:468 (March 2004), LR 31:0000 (January 2005).

Cynthia Bridges  
Secretary