



TAXATION IN LOUISIANA

Any corporation or entity taxed as a corporation for federal income tax purposes meeting any of the following provisions, unless specifically exempted under the provisions must file a Louisiana corporation franchise tax return:

- Organized under the laws of Louisiana.
- Qualified to do business in this state or doing business in this state.
- Exercising or continuing the corporate charter within this state.
- Owning or using any of the corporate capital, plant, or other property in this state whether owned directly or indirectly by or through a partnership, joint venture, or any other business organization of which the domestic or foreign corporation is a related party.

The tax rate for franchise tax is as follows:

- For periods beginning prior to January 1, 2023, USD 1.50 for each USD 1,000 or major fraction thereof up to USD 300,000 of capital employed in Louisiana, and USD 3 for each USD 1,000 or major fraction thereof more than USD 300,000 of capital employed in Louisiana.
- For periods beginning on or after January 1, 2023, USD 2.75 for each USD 1,000 or major fraction thereof more than USD 300,000 of capital employed in Louisiana. The initial corporation franchise tax is USD 110.

An **initial return** covering the period beginning with the date the corporation first becomes liable for filing a return and ending with the next close of an accounting period must be filed on or before the **15th day of the third month** after the corporation first becomes liable. Louisiana corporation franchise tax accrues on the first day of each accounting year, and the return for that period must be filed on or before the **15th day of the fifth month** of that accounting year.



Corporate Income Tax (1/2)

All corporations and entities taxed as corporations for federal income tax purposes deriving income from Louisiana sources, whether they have any net income, must file an income tax return.

TAX RATE

Corporations will pay tax on net income computed at the following rates:

- 3.5% on the first USD 50,000 of net income
- 5.5% on the next USD 100,000 of net income
- 7.5% on the excess over USD 150,000 of net income



DUE DATE

Returns and payments are due on or before the 15th day of the fifth month following the close of an accounting period. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the following day.



FILLING REQUIREMENTS

C corporations in Louisiana are generally required to file a **Louisiana Corporation Income Tax Return Form CIFT-620** if they have income derived from or connected with Louisiana sources, or if they are incorporated or organized under Louisiana law.



Corporate Income Tax (2/2)

- **Extension to file**

If the return is not filed by the due date, then corporations need to file for an extension. corporations will be granted an extension of six months to November 15 if it timely requested an extension for federal income tax purposes.

- **Estimated Tax Payment**

Every Corporation is required to pay estimated income tax if the corporation's income tax less any credits for the taxable year can reasonably be expected to be USD 1,000 or more. If the corporation is required to pay estimated income tax, the percentage of the estimated tax must be paid on the 15th day of the April, June, September, December month based on the period in which the estimated tax payment requirement is met.

- **Penalty and Interest**

The penalty for failure to file a return by the due date is 5% of the total tax due. The penalty cannot exceed 25 percent of the tax due and accrues from the original due date. The penalty for failure to pay the tax in full by the date the return is required by law to be filed, determined without regard to any extension of time for filing the return, is 5% of the unremitted tax. If the income tax amount is not paid by the due date, then corporation will be charged interest on the unpaid tax. The interest rate in the Form R-1111 is 0.5417% per month.

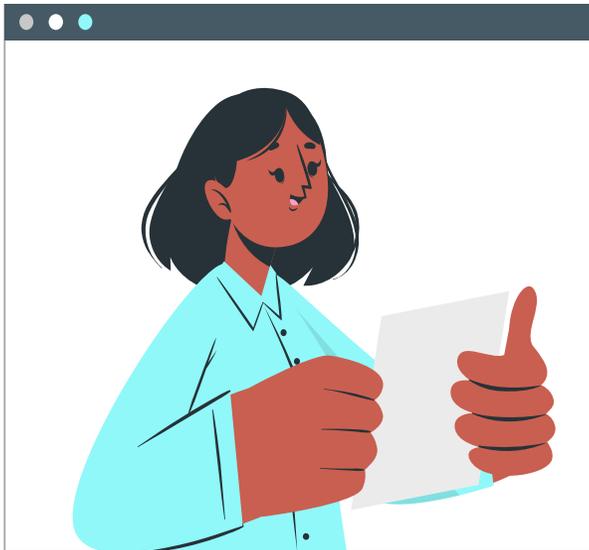
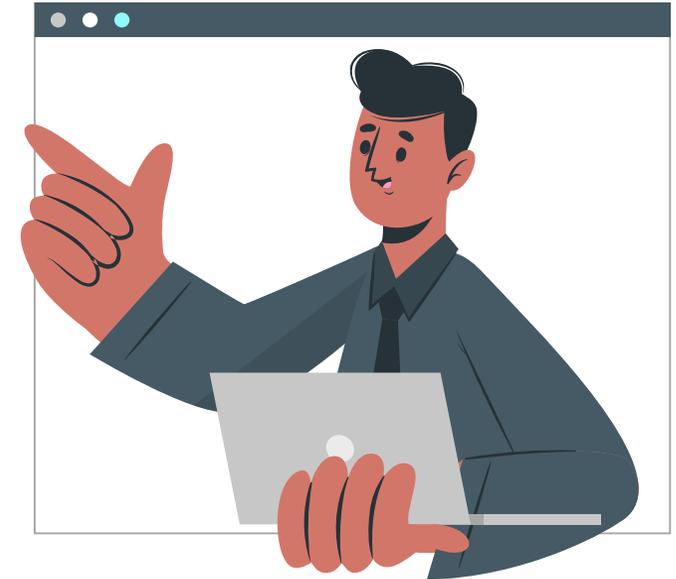


Pass through entity Tax (1/2)

In Louisiana, S corporations, partnerships (including LLCs and LLPs) are generally considered pass-through entities for tax purposes. This means that the entities themselves do not pay income tax at the entity level. Instead, the income, deductions, and credits "pass through" to the individual shareholders or partners, who report them on their personal income tax returns.

Tax rate: S corporations will pay tax on net income computed at the following rates:

- 1.85% on the first USD 25,000 of net income
- 3.5% on the next USD 75,000 of net income
- 4.25% on the excess over USD 100,000 of net income



Due Date: The due date for filing the Louisiana Individual Income Tax Return (Form IT-540) for individual shareholders and partners is generally May 15th for calendar year taxpayers.

Filing Requirement: Individual shareholders of S corporations and partners or members of partnerships including LLCs and LLPs in Louisiana generally file the Louisiana Individual Income Tax Return Form IT-540 to report their share of the S corporation's and partnership's income, deductions, and credits.

Pass through entity Tax (2/2)

Extension to file

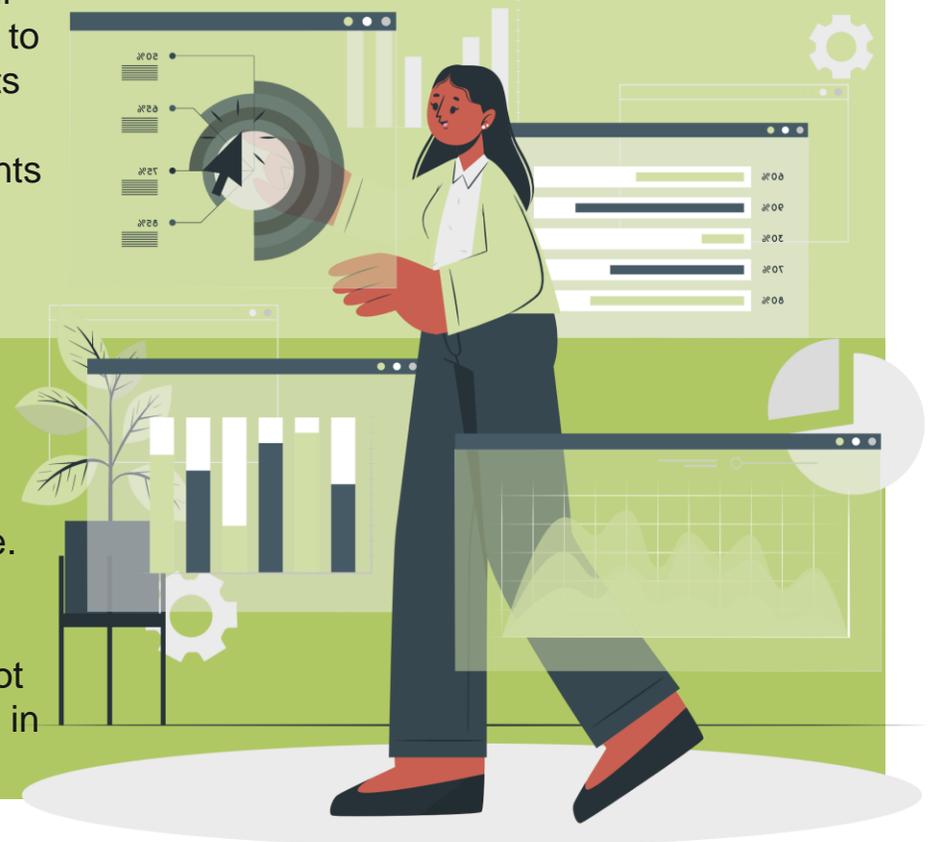
If the pass-through entities cannot file its return by the due date, then they need to file for an extension. Entities will automatically be granted an extension of six months to November 15. No paper or electronic extension form needs to be filed to obtain the automatic extension.

Estimated Tax Payments

Individual taxpayers in Louisiana are generally required to make estimated tax payments if their total tax liability for the tax year, after withholding and refundable credits, is expected to be USD 1,000 or more. Estimated tax payments are typically due in four equal installments throughout the year. For calendar year taxpayers, the due dates are generally April 15th, June 15th, September 15th, and January 15th of the following year. Estimated tax payments can be made electronically through the Louisiana Department of Revenue's website or by mail using the payment voucher provided with Form IT-540ES, Louisiana Estimated Tax Declaration Voucher.

Penalty and Interest

If entities fail to pay the tax due by the due date, a delinquent payment penalty of 0.5% of the tax not paid by the due date will accrue for each 30 days, or fraction thereof, during which the failure to pay continues. This penalty cannot exceed 25% of the tax due. A delinquent filing penalty will be charged for failure to file a return on or before the due date. The penalty is 5% of the tax for each 30 days or fraction thereof during which the failure to file continues. If the entity file after the extended due date, the delinquent filing penalty that will be assessed is the maximum of 25% of the tax due. If the entity's income tax is not paid by the due date, it will be charged interest on the unpaid tax until the balance is paid in full the interest rate is on Form R-1111. The interest rate is 0.5417% per month.

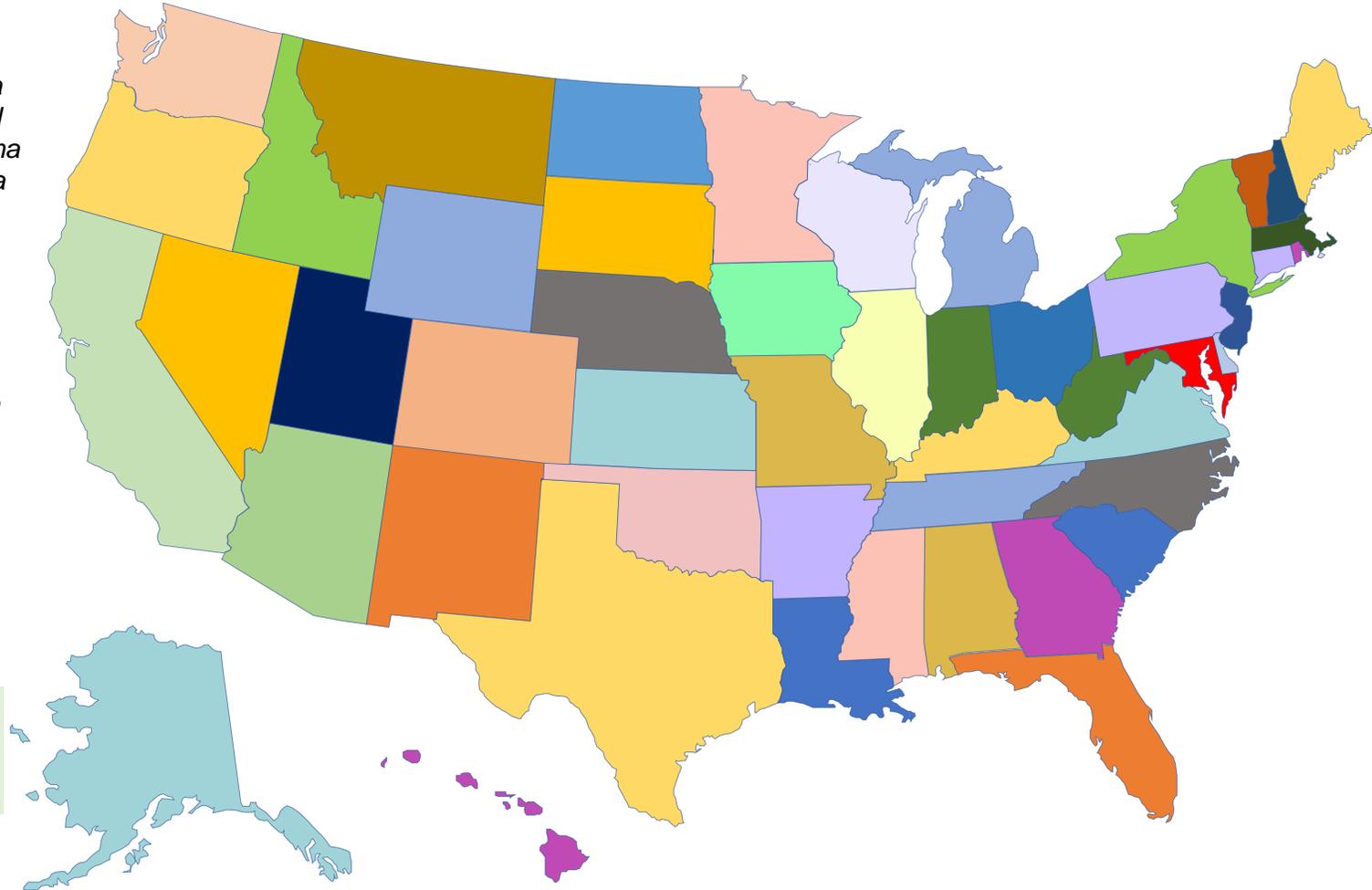


Upcoming Series

Please find below the list of completed alerts from the series. In case you have missed the previous alerts, click on the hyperlink for the completed alerts to refer the same.

- | | | |
|--------------------------------|--------------------|--------------------|
| 1. Delaware | 19. Louisiana | 37. Oregon |
| 2. New Jersey | 20. Maine | 38. Pennsylvania |
| 3. California | 21. Maryland | 39. Rhode Island |
| 4. Alabama | 22. Massachusetts | 40. South Carolina |
| 5. Alaska | 23. Michigan | 41. South Dakota |
| 6. Arizona | 24. Minnesota | 42. Tennessee |
| 7. Arkansas | 25. Mississippi | 43. Texas |
| 8. Colorado | 26. Missouri | 44. Utah |
| 9. Connecticut | 27. Montana | 45. Vermont |
| 10. Columbia | 28. Nebraska | 46. Virginia |
| 11. Florida | 29. Nevada | 47. Washington |
| 12. Georgia | 30. New Hampshire | 48. West Virginia |
| 13. Hawaii | 31. New Mexico | 49. Wisconsin |
| 14. Idaho | 32. New York | 50. Wyoming |
| 15. Illinois | 33. North Carolina | 51. Kentucky |
| 16. Indiana | 34. North Dakota | |
| 17. Iowa | 35. Ohio | |
| 18. Kansas | 36. Oklahoma | |

In case you have downloaded the alert via LinkedIn, the links might not work, refer our website for the same - <https://www.m2kadvisors.com/>



THANK YOU

USA

M2K Advisors Inc

16192 Costal Highway,
Lewes, County of Sussex,
Delaware - 19958

India

M2K Advisors LLP

7th Floor, Briley One,
No. 30/ 64 Ethiraj Salai,
Egmore, Chennai – 600 008,
Tamil Nadu, India

Singapore

M2K Advisors Pte Ltd

The Octagon,
105 Cecil Street, #13-02
Singapore 069534

UAE - Dubai

M2K Advisors

701 C Aspin Commercial
Tower, Sheikh Zayed Road,
Trade Center First, Dubai
PO Box - 50810

For any queries, reach us at:

support@m2kadvisors.com;

+1 (707) 800-8229



This deck has been prepared for informational purposes only and nothing contained in this deck constitutes any legal or any other form of advice from M2K Advisors. Although reasonable care has been taken to ensure that the information in this deck is true, such information is provided “as is”, without any warranty, express or implied as to the accuracy or completeness of any such information. M2K Advisors do not accept any responsibility for loss occasioned to any person acting or refraining from action as a result of any material in this deck. This document should not be considered as an offer or solicitation of any of the services rendered by M2K Advisors.