

**HCR 11 Task Force-May 20, 2016**

**DRAFT RESOLUTION: Corporate AMT**

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Louisiana's corporation income tax is largely viewed as one of the most volatile sources of revenue to the state which can create wide fluctuations in the stability of the state fisc.;

Entities subject to Louisiana corporation income tax are currently allowed to avail themselves of a wide variety of exemptions, exclusions, deductions and credits in order to reduce or completely eliminate any tax liability that would otherwise be collectable by the state;

Louisiana currently has no mechanism to ensure that some amount of revenue is generated from the collection of corporation income tax irrespective of a corporations' business performance in any given year;

Eight other states, including Kentucky and Florida, impose a corporate minimum tax;

Adoption of such a provision by Louisiana would provide a safety net for Louisiana collections against the erratic nature of corporation income tax collections;

**Accordingly, the Task Force recommends the state create a corporate alternative minimum tax to ensure a minimum level of revenues from the corporate income tax.**