

2025 Regular Session

HOUSE BILL NO. 645

BY REPRESENTATIVE WYBLE

TAX/INCOME TAX: Reduces the rate of the tax levied on the net income of individuals and increases the amount of the standard deduction for all filers

1 AN ACT

2 To amend and reenact R.S. 47:32(A) and 294, relative to income tax; to provide for the rate
3 of the tax levied on the net income of individuals; to provide for the standard
4 deduction; to provide for the amount of the standard deduction under certain
5 circumstances; to provide for the annual adjustment of the amount of the standard
6 deduction; to provide for applicability; to provide for an effective date; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:32(A) and 294 are hereby amended and reenacted to read as
10 follows:

11 §32. Rates of tax

12 A. On individuals. ~~(1) The~~ For taxable years beginning before January 1,
13 2027, the tax to be assessed, levied, collected, and paid upon the taxable income of
14 an individual shall be computed at the rate of three percent on net income.

15 (2) Beginning January 1, 2027, through December 31, 2027, the tax to be
16 assessed, levied, collected, and paid upon the taxable income of an individual shall
17 be computed at the rate of two percent on net income.

1 United States Department of Labor, Bureau of Labor Statistics, or its successor, for
2 the previous calendar year.

3 Section 2. The provisions of this Act shall be applicable to all taxable periods
4 beginning on or after January 1, 2026.

5 Section 3. This Act shall become effective on January 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 645 Original

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Wyble

Abstract: Increases the amount of the standard deduction over a three-year period for single and married-separate filers from \$12,500 to \$50,000 and reduces the rate of the state tax levied on the net income of individuals over a three-year period from 3% to 1.75%.

Present law requires a state tax to be assessed, levied, collected, and paid upon the net income of individuals at the rate of 3%.

Proposed law retains present law for tax years ending before Jan. 1, 2027; however, proposed law reduces the individual income tax rate beginning Jan. 1, 2027, through Dec. 31, 2027, from 3% to 2% and further reduces the rate beginning Jan. 1, 2028, and thereafter from 2% to 1.75%.

Present law authorizes a standard deduction for resident taxpayers when determining a taxpayer's tax liability, with the amount of the deduction dependent on the filing status of the taxpayer claiming it. Present law provides that the amount of the standard deduction for single and married-separate filers is \$12,500 and the amount for all other filers is 200% of the amount set for single and married-separate filers; however beginning Jan. 1, 2026, the amount of the standard deduction shall be adjusted annually by the percentage increase in the Consumer Price Index United States city average for all urban consumers (CPI-U), as reported by the U.S. Dept. of Labor, Bureau of Labor Statistics.

Proposed law retains present law for tax years 2025 and 2026, relative to the amount of the standard deduction for all filers; however, proposed law increases the amount of the standard deduction for single and married-separate filers from \$12,500 to \$25,000 for tax year 2027, and to \$50,000 for tax year 2028 and thereafter. The amount of the standard deduction for all other filers is 200% of the amount set for single and married-separate filers. Proposed law maintains the annual adjustment of the standard deduction in accordance with changes in the CPI-U; however, the first year of implementation of the annual adjustment is changed from 2026 to 2029.

Proposed law is applicable to all taxable periods beginning on or after Jan. 1, 2026.

Effective January 1, 2026.

(Amends R.S. 47:32(A) and 294)