

2016 Second Extraordinary Session

HOUSE BILL NO. 40

BY REPRESENTATIVE REYNOLDS

TAX/INCOME TAX: Changes the middle and upper income tax brackets for purposes of calculating the individual income tax (Item #43)

1 AN ACT

2 To amend and reenact R.S. 47:32(A), relative to individual income tax; to provide with
3 respect to the income brackets for purposes of calculating individual income tax; to
4 provide for applicability; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:32(A) is hereby amended and reenacted to read as follows:

7 §32. Rates of tax

8 A. On individuals. The tax to be assessed, levied, collected, and paid upon
9 the taxable income of an individual shall be computed at the following rates:

10 (1) Two percent on that portion of the first twelve thousand five hundred
11 dollars of net income which is in excess of the credits against net income provided
12 for in R.S. 47:79;

13 (2) Four percent on the next ~~thirty-seven thousand~~ seventeen thousand five
14 hundred dollars of net income;

15 (3) Six percent on any amount of net income in excess of ~~fifty~~ thirty
16 thousand dollars of net income.

17 * * *

18 Section 2. The provisions of this Act shall be applicable to all taxable years
19 beginning on and after January 1, 2016.

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 40 Original

2016 Second Extraordinary Session

Reynolds

Abstract: Changes the middle and upper brackets for purposes of calculating the individual income tax.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the following rates:

- (1) 2% on the first \$12,500 of net income;
- (2) 4% on the next \$37,500 of net income;
- (3) 6% on net income in excess of \$50,000.

Proposed law compresses the middle and upper income tax brackets as follows:

- (1) 2% on the first \$12,500 of net income;
- (2) To 4% on the next \$17,500 of net income;
- (3) To 6% on net income in excess of \$30,000.

Applicable to all taxable periods beginning on and after Jan. 1, 2016.

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