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## DIGEST

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HB 134 Original

2017 Regular Session

Havard

**Abstract:** Eliminates the system of graduated rates and brackets for purposes of calculating individual income tax liability in favor of establishing a flat rate of 2% on the taxable income of individuals.

Present law requires the tax that is assessed, levied, collected and paid on the taxable income of an individual to be computed at the following rates:

- (1) 2% on the first \$12,500 of net income in excess of the credits against net income provided for in present law;
- (2) 4% on the next \$37,500 of net income;
- (3) 6% on any amount of net income in excess of \$50,000 of net income.

Proposed law changes present law by eliminating the graduated system of rates and brackets for purposes of calculating individual income tax in favor of establishing a flat rate of 2% on the taxable income of an individual.

Present law provides for the doubling of the income tax brackets in present law in cases when a husband and wife file a joint return.

Proposed law repeals present law.

Applicable to all taxable periods beginning on and after Jan. 1, 2018.

Effective if and when House Bill No. \_\_\_ of this 2017 R.S. is enacted and becomes effective.

(Amends R.S. 47:32(A); Repeals R.S. 47:32(B))