

2017 Regular Session

HOUSE BILL NO. 420

BY REPRESENTATIVE LEGER

TAX/INCOME TAX: Reduces rates of the tax levied on individual income tax

1 AN ACT

2 To amend and reenact R.S. 47:32(A) and 295(B), relative to individual income tax; to
3 reduce certain rates for purposes of calculating individual income tax; to provide for
4 the administration of the rate reductions; to provide for applicability; to provide for
5 an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:32(A) and 295(B) are hereby amended and reenacted to read as
8 follows:

9 §32. Rates of tax

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

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

15 (2) ~~Four~~ Three percent on the next thirty-seven thousand five hundred dollars
16 of net income; ;

17 (3) ~~Six~~ Five percent on any amount of net income in excess of fifty thousand
18 dollars; ~~of net income.~~

19 * * *

Proposed law reduces the individual income tax rates as follows:

- (1) From 2% on the first \$12,500 of net income to 1% on the first \$12,500 of net income.
- (2) From 4% on the next \$37,500 of net income to 3% on the next \$37,500 of net income.
- (3) From 6% on net income in excess of \$50,000 to 5% on net income in excess of \$50,000.

Present law requires the secretary of the Dept. of Revenue to establish tax tables that calculate the tax owed by taxpayers based upon where their taxable income falls within a range that shall not exceed \$250. Further requires the secretary to provide for the deduction of certain exemptions and deductions from income that falls within certain brackets.

Proposed law retains present law but updates the bracket references in light of changes in proposed law.

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

Effective on January 1, 2018, if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of the 2017 R.S. is adopted at a statewide election and becomes effective.

(Amends R.S. 47:32(A) and 295(B))