
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by James Benton.

DIGEST

SB 186 Original 2017 Regular Session Ward

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

- (1) 2% on that portion of the first \$12,500 of net income which is 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 to provide a flat rate of 4% against the net income which is in excess of the credits against net income provided for in present law.

Present law provides that the secretary shall 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. The secretary shall provide in the tax tables that the combined personal exemption, standard deduction, and other exemption deductions in present law will be deducted from the 2% bracket. If such combined exemptions and deductions exceed the 2% bracket, the excess shall be deducted from the 4% bracket. If such combined exemptions and deductions exceed the 2% and 4% brackets, the excess will be deducted from the 6% bracket.

Proposed law deletes present law.

Proposed law eliminates the following tax credits beginning January 1, 2018:

- (1) R.S. 47:12-State low- income housing credit
- (2) R.S. 47:37- Tax credit for contributions to educational institutions
- (3) R.S. 47:287.755- Tax credit for contributions to educational institutions
- (4) R.S. 47:297- Reduction to tax for taxpayer, spouse, or dependent who is deaf, blind, mentally incapacitated or has lost the use of one limb
- (5) R.S. 47:297.4- Credit for certain child care expenses
- (6) R.S. 47:297.6- Reduction to tax due; rehabilitation of residential structures

- (7) R.S. 47:297.7- Property insurance tax credit
- (8) R.S. 47:297.8- Earned income tax credit
- (9) R.S. 47:297.9-Reduction to tax due; amounts paid by certain military servicemembers and dependents for certain hunting and fishing licenses
- (10) R.S. 47:6004-Employer Credit when employing recipients of FITAP payments participating in certain work programs
- (11) R.S. 47:6005-Qualified new recycling manufacturing equipment and service contracts
- (12) R.S. 47:6006- Credits for local inventory taxes paid
- (13) R.S. 47:6006.1- Credits for taxes paid with respect to vessels in Outer Continental Shelf Lands Act Waters
- (14) R.S. 47:6008- Credits for donations to assist playgrounds in economically depressed areas
- (15) R.S. 47:6009- La. Basic Skills Training Tax Credit
- (16) R.S. 47:6012- Employer tax credits for donations of materials, equipment, advisors, or instructors
- (17) R.S. 47:6014- Credit for property taxes paid by certain telephone companies
- (18) R.S. 47:6017- Credits for expenses paid by economic development corporations
- (19) R.S. 47:6018- Credits for purchasers from "PIE contractors"
- (20) R.S. 47:6019- Tax credit; rehabilitation of historic structures
- (21) R.S. 47:6025- Credit for La. Citizens Property Insurance Corp. assessment
- (22) R.S. 47:6030- Solar energy systems tax credit
- (23) R.S. 47:6032- Credit for certain milk producers
- (24) R.S. 47:6035- Credit for conversion of vehicles to alternative fuel usage
- (25) R.S. 47:6104- Child care expense tax credit
- (26) R.S. 47:6105- Child care provider tax credit
- (27) R.S. 47:6106- Credit for child care directors and staff

(28) R.S. 47:6107- Business-supported child care

(29) R.S. 51:3085- La. Community Development Financial Institution Act tax credit

Provides that the provisions of the Act amending and reenacting R.S. 47:32 shall be applicable to all taxable periods beginning on and after January 1, 2018.

Provides that this Act shall take effect and become operative if and when the Act which originated as HB. ____ of this 2017 R.S. is enacted and becomes effective.

(Amends R.S. 47:32(A) and 295; adds R.S. 47:12(P), 37(I), 287.755(I), 297(Q), 297.4(C), 297.6(D), 297.7(C), 297.8(C), 297.9(D), 6004(D), 6005(H), 6006(G), 6006.1(H), 6008(E), 6009(C), 6012(G), 6014(G), 6017(D), 6018(C), 6019(D), 6025(E), 6030(I), 6032(C), 6035(I), 6104(E), 6105(E), 6106(F), 6107(D), and R.S. 51:3085(F))