2021 Regular Session

HOUSE BILL NO. 206

BY REPRESENTATIVE WRIGHT

TAX/INCOME TAX: (Constitutional Amendment) Provides for the rates and brackets for purposes of calculating income taxes and eliminates the mandatory income tax deduction for federal income taxes paid for purposes of computing income taxes

1   A JOINT RESOLUTION

2   Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to

3   income tax; to provide with respect to the rates and brackets for purposes of

4   calculating income taxes; to provide with respect to the deductibility of federal

5   income taxes paid for purposes of calculating state income taxes; to provide for

6   applicability; to provide for an effective date; to provide for submission of the

7   proposed amendment to the electors; and to provide for related matters.

8   Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

9   elected to each house concurring, that there shall be submitted to the electors of the state of

10   Louisiana, for their approval or rejection in the manner provided by law, a proposal to

11   amend Article VII, Section 4(A) of the Constitution of Louisiana, to read as follows:

12   §4. Income Tax; Severance Tax; Political Subdivisions

13   Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net

14   incomes, and these taxes may be graduated according to the amount of net income.

15   ~~However, the~~ The state ~~individual and joint~~ income tax schedule of rates and

16   brackets shall ~~never exceed the rates and brackets set forth in Title 47 of the~~

17   ~~Louisiana Revised Statutes on January 1, 2003. Federal income taxes paid shall be~~

18   ~~allowed as a deductible item in computing state income taxes for the same period~~ be

19   provided for in law.

20   *   *   *

1   Section 2. Be it further resolved that the provision of the amendment contained in

2   this Joint Resolution shall become effective January 1, 2023, and shall be applicable to tax

3   years beginning on or after January 1, 2023.

4   Section 3. Be it further resolved that this proposed amendment shall be submitted

5   to the electors of the state of Louisiana at the statewide election to be held on November 8,

6   2022.

7   Section 3. Be it further resolved that on the official ballot to be used at the election,

8   there shall be printed a proposition, upon which the electors of the state shall be permitted

9   to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as

10   follows:

11   Do you support an amendment to eliminate references to the maximum

12   individual income tax rates and brackets and instead specify that income tax

13   rates and brackets shall be established in law and to eliminate the mandatory

14   deduction for federal income taxes paid in computing state income taxes?

15   (January 1, 2023) (Amends Article VII, Section 4(A))

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)]

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Abstract: Requires state income tax rates and brackets to be provided for in law and
      eliminates the mandatory deductibility of federal income taxes paid when computing
      state income taxes.

Present constitution authorizes equal and uniform taxes to be levied on net individual and
corporate income. Further authorizes the rates for these taxes to be graduated according to
the amount of the taxpayer's net income; however, the state individual and joint income tax
schedules of rates and brackets are prohibited from exceeding the rates and brackets as they
existed on Jan. 1, 2003.

Present constitution requires federal income taxes paid to be allowed as a deductible item
in computing state income taxes for the same period.

Proposed constitutional amendment changes present constitution by eliminating references
to the maximum amount of the individual income tax rates and brackets and instead
specifying that the rates and brackets of all income taxes shall be provided for in law.
Additionally eliminates the mandatory deductibility of federal income taxes paid when
computing state income tax liability.

Effective Jan. 1, 2023, and applicable to all tax years beginning on or after Jan. 1, 2023.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Const. Art. VII, §4(A))