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## DIGEST

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HB 205 Original

2021 Regular Session

DeVillier

**Abstract:** Eliminates the mandatory deductibility of federal income taxes paid when computing state corporate income taxes.

Present constitution authorizes equal and uniform taxes to be levied on net 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 schedule 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 limiting the mandatory deductibility of federal income taxes paid to individual income tax liability.

Effective Jan. 1, 2023, and applicable to 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))