SLS 21RS-391

ORIGINAL

2021 Regular Session

SENATE BILL NO. 159

BY SENATOR ALLAIN AND REPRESENTATIVE BISHOP

TAX/TAXATION. Constitutional amendment to reduce the maximum rate of individual income tax and to provide for a federal income tax deduction as provided by law. (2/3 - CA13s1(A))

A JOINT RESOLUTION
Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to
income tax; to provide a maximum rate of individual income tax; to provide with
respect to the deductibility of federal income tax for purposes of computing state
income tax; to eliminate the mandatory deduction for federal income taxes; and to
specify an election for submission of the proposition to electors and provide a ballot
proposition.
Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
elected to each house concurring, that there shall be submitted to the electors of the state, for
their approval or rejection in the manner provided by law, a proposal to amend Article VII,
Section 4(A) of the Constitution of Louisiana, to read as follows:
§4. Income Tax; Severance Tax; Political Subdivisions
Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
incomes, and these taxes may be graduated according to the amount of net income.
However, the maximum state individual and joint income tax schedule of rates and
brackets shall never exceed the rates and brackets set forth in Title 47 of the
Louisiana Revised Statutes on January 1, 2003 rate shall not exceed five percent

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1	for tax years beginning after December 31, 2021. Federal income taxes paid shall
2	may be allowed as a deductible item in computing state income taxes for the same
3	period <u>as provided by law</u> .
4	Section 2. 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
6	October 9, 2021.
7	Section 3. Be it further resolved that on the official ballot to be used at said 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 lower the maximum allowable rate of
12	individual income tax and to authorize the legislature to provide by law for
13	a deduction for federal income taxes paid?
14	(Amends Article VII, Section 4(A))

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

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Allain

<u>Present constitution</u> provides that the individual income tax rates and brackets shall not exceed those rates and brackets in effect as of Jan. 1, 2003, which are as follows for single taxpayers:

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

<u>Proposed constitutional amendment</u> reduces the maximum allowable rate of individual income tax from 6% to 5%.

<u>Proposed constitutional amendment</u> removes references to 2003 individual income tax rates and brackets.

<u>Present constitution</u> requires a deduction of the full amount of federal income taxes paid for all state income taxes.

<u>Proposed constitutional amendment</u> permits, but does not require, a deduction for federal income taxes paid.

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Specifies submission of the amendment to the voters at the statewide election to be held on October 9, 2021.

(Amends Const. Art. VII, Sec. 4(A))