

ACT No. 395

2021 Regular Session

HOUSE BILL NO. 278

BY REPRESENTATIVE BISHOP AND SENATOR ALLAIN

1 AN ACT

2 To amend and reenact R.S. 47:32(A), 241, 293(3) and (10), 295(B), 300.1, 300.6(A), and
3 300.7(A), to enact R.S. 47:32.1, and to repeal R.S. 47:293(4) and (9)(a)(ii),
4 296.1(B)(3)(c), and 298, relative to the individual and fiduciary income tax; to
5 reduce the rates for purposes of calculating individual and fiduciary income tax
6 liability; to repeal the deductibility of federal income taxes paid for purposes of
7 calculating individual and fiduciary income tax; to provide with respect to the
8 deduction for excess federal itemized personal deductions; to provide for certain
9 requirements and limitations; to authorize the reduction of certain rates under certain
10 circumstances; to provide for applicability; to provide for an effective date; and to
11 provide for related matters.

12 Be it enacted by the Legislature of Louisiana:

13 Section 1. R.S. 47:32(A), 241, 293(3) and (10), 295(B), 300.1, 300.6(A), and
14 300.7(A) are hereby amended and reenacted and R.S. 47:32.1 is hereby enacted to read as
15 follows:

16 §32. Rates of tax

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

19 (1) ~~Two~~ One and eighty-five one hundredths percent on that portion of the
20 first twelve thousand five hundred dollars of net income which is in excess of the
21 credits against net income provided for in R.S. 47:79~~;~~;

22 (2) ~~Four~~ Three and one-half percent on the next thirty-seven thousand five
23 hundred dollars of net income~~;~~;

1 §293. Definitions

2 The following definitions shall apply throughout this Part, unless the context
3 requires otherwise:

4 * * *

5 (3) "Excess federal itemized personal deductions" for the purposes of this
6 Part, means ~~the following percentages~~ one hundred percent of the amount by which
7 the federal itemized personal deductions ~~exceed~~ deduction for expenses for medical
8 care used by the taxpayer in the calculation of federal taxable income exceeds the
9 amount of the federal standard deduction which deduction that is designated for the
10 filing status used for the taxable period on the individual income tax return required
11 to be filed. For purposes of this Paragraph, the term "expenses for medical care" has
12 the meaning given the term in Section 213(d) of the Internal Revenue Code and is
13 subject to all applicable federal limitations.

14 ~~(a) For tax years beginning during calendar year 2007, fifty-seven and one~~
15 ~~half percent of such excess federal itemized personal deductions.~~

16 ~~(b) For tax years beginning during calendar year 2008, sixty-five percent of~~
17 ~~such excess federal itemized personal deductions.~~

18 ~~(c) For all tax years beginning on and after January 1, 2009, one hundred~~
19 ~~percent of such excess federal itemized personal deductions.~~

20 * * *

21 (10) "Tax table income", for nonresident individuals, means the amount of
22 Louisiana income, as provided in this Part, allocated and apportioned under the
23 provisions of R.S. 47:241 through 247, plus the total amount of the personal
24 exemptions and deductions already included in the tax tables promulgated by the
25 secretary under authority of R.S. 47:295, less the proportionate amount of ~~the federal~~
26 ~~income tax liability~~, excess federal itemized personal deductions, the temporary
27 teacher deduction, the recreation volunteer and volunteer firefighter deduction, the
28 construction code retrofitting deduction, any gratuitous grant, loan, or other benefit

1 directly or indirectly provided to a taxpayer by a hurricane recovery entity if such
 2 benefit was included in federal adjusted gross income, the exclusion provided for in
 3 R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by 26
 4 U.S.C. 280C, salaries, wages or other compensation received for disaster or
 5 emergency-related work rendered during a declared state disaster or emergency, the
 6 deduction for net capital gains, the pass-through entity exclusion provided in R.S.
 7 47:297.14, and personal exemptions and deductions provided for in R.S. 47:294. The
 8 proportionate amount is to be determined by the ratio of Louisiana income to federal
 9 adjusted gross income. When federal adjusted gross income is less than Louisiana
 10 income, the ratio shall be one hundred percent.

11 * * *

12 §295. Tax imposed on individuals; administration

13 * * *

14 B. The secretary shall establish tax tables that calculate the tax owed by
 15 taxpayers based upon where their taxable income falls within a range that shall not
 16 exceed two hundred fifty dollars. The secretary shall provide in the tax tables that
 17 the combined personal exemption, standard deduction, and other exemption
 18 deductions in R.S. 47:294 shall be deducted from the ~~two percent~~ lowest bracket. If
 19 ~~such~~ the combined exemptions and deductions exceed the ~~two percent~~ lowest
 20 bracket, the excess shall be deducted from the ~~four percent~~ next lowest bracket. If
 21 ~~such~~ the combined exemptions and deductions exceed the ~~two and four percent~~ two
 22 lowest brackets, the excess shall be deducted from the ~~six percent~~ next lowest
 23 bracket.

24 * * *

25 §300.1. Tax imposed

26 There is imposed an income tax for each taxable year upon the Louisiana
 27 taxable income of every estate or trust, whether resident or nonresident. The tax to
 28 be assessed, levied, collected, and paid upon the Louisiana taxable income of an
 29 estate or trust shall be computed at the following rates:

1 (1) ~~Two~~ One and eighty-five hundredths percent on the first ten thousand
2 dollars of Louisiana taxable income.

3 (2) ~~Four~~ Three and one-half percent on the next forty thousand dollars of
4 Louisiana taxable income.

5 (3) ~~Six~~ Four and twenty-five one hundredths percent on Louisiana taxable
6 income in excess of fifty thousand dollars.

7 * * *

8 §300.6. Louisiana taxable income of resident estate or trust

9 A. Definition. "Louisiana taxable income" of a resident estate or trust means
10 the taxable income of the estate or trust determined in accordance with federal law
11 for the same taxable year, as specifically modified by the provisions contained in
12 Subsection B of this Section, ~~less a federal income tax deduction to be computed~~
13 ~~following the provisions of R.S. 47:287.83 and 287.85.~~

14 * * *

15 §300.7. Louisiana taxable income of nonresident estate or trust

16 A. Definition. "Louisiana taxable income" of a nonresident estate or trust
17 means such portion of the taxable income of the nonresident estate or trust
18 determined in accordance with federal law for the same taxable year, as specifically
19 modified by the provisions contained in Subsection C of this Section, that was earned
20 within or derived from sources within this state, ~~less a federal income tax deduction~~
21 ~~to be computed following the provisions of R.S. 47:287.83 and 287.85.~~

22 * * *

23 Section 2. R.S. 47:293(4) and (9)(a)(ii), 296.1(B)(3)(c), and 298 are hereby repealed
24 in their entirety.

25 Section 3. The provisions of this Act shall be applicable to taxable periods beginning
26 on or after January 1, 2022.

27 Section 4. This Act shall take effect and become operative on January 1, 2022, if the
28 proposed amendment of Article VII of the Constitution of Louisiana contained in the Act

1 which originated as House Bill No. 274 of this 2021 Regular Session of the Legislature or
2 the Act which originated as Senate Bill No.159 of this 2021 Regular Session of this
3 Legislature is adopted at a statewide election and becomes effective and if both of the Acts
4 that originated as House Bill No. 292 and Senate Bill No. 161 of this 2021 Regular Session
5 of the Legislature are enacted and become law.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____