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

DIGEST

SB 3 Engrossed 2023 Regular Session Allain

Present law provides for individual income tax rates as follows:

(1) 1.85% on the first $12,500 of net income.

(2) 3.5% on the next $37,500 of net income.

(3) 4.25% on net income in excess of $50,000.

Proposed law retains present law.

Present law requires an automatic rate reduction in each individual income tax rate if, beginning April 1, 2024, and each April first thereafter through 2034, the prior fiscal year's actual individual income tax collections as reported in the state's accounting system exceed the actual individual income tax collections for the fiscal year ending June 30, 2019, adjusted annually by the growth factor provided for in existing constitution.

Proposed law changes the month for the annual determination of an automatic rate reduction from April 1, 2024, and each April first thereafter through 2034 to January 1, 2024, and each January first thereafter through 2034, and otherwise retains present law.

Present law levies a corporation franchise tax at the rate of 2.75% per $1,000 on taxable capital above $300,000 beginning Jan. 1, 2023.

Proposed law retains present law.

Present law requires an automatic corporation franchise tax rate reduction beginning April 1, 2024, and each April first thereafter, if in any year that corporation income and franchise tax collections exceed the Fiscal Year 2018-19 corporation income and franchise tax collections, adjusted annually by the growth factor provided for in existing constitution.

Proposed law changes the month for the annual determination of an automatic rate reduction from April 1, 2024, and each April first thereafter to January 1, 2024, and each January first thereafter, and otherwise retains present law.

Effective August 1, 2023.

(Amends R.S. 47:32.1(A)(1) and 601.2(A)(1))