

2026 Regular Session

HOUSE BILL NO. 1122

BY REPRESENTATIVE BEAULLIEU

TAX/INCOME TAX: Establishes a calculation to be used for reducing the rate of the state tax levied on individuals

1 AN ACT

2 To enact R.S. 47:32.1, relative to individual income tax; to provide for the reduction of the
3 individual income tax rate under certain circumstances; to provide for requirements
4 and limitations; to require the publication of certain information; to provide relative
5 to the powers and duties of the secretary of the Department of Revenue; to provide
6 for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:32.1 is hereby enacted to read as follows:

9 §32.1. Individual income tax rate reduction; requirements and limitations

10 A. If monies are deposited into the Louisiana Income Tax Elimination Fund
11 prior to June thirtieth of any fiscal year, then no later than the September thirtieth
12 immediately following such deposit, the secretary of the Department of Revenue
13 shall perform the calculation provided in Subsection B of this Section and the
14 individual income tax rate provided for in R.S. 47:32 shall be reduced accordingly
15 for the tax year beginning the following January first.

16 B.(1) The individual income tax rate shall be reduced in accordance with a
17 calculation performed as follows:

18 (a) The total amount of monies transferred into the Louisiana Income Tax
19 Elimination Fund in the prior fiscal year shall be divided by the total amount of

Proposed law retains present law but, as more fully described below, requires the individual income tax rate to be reduced if monies are deposited into the LITE Fund.

Proposed law requires the secretary of the Dept. of Revenue (DOR) to calculate the rate reduction as follows:

- (1) The total amount of monies deposited into LITE Fund in the prior fiscal year shall be divided by the total amount of personal income tax revenue collected in the fiscal year in which the deposit was made into the LITE Fund.
- (2) Multiplying the resulting quotient from step 1, above, by the personal income tax rate in effect at the time the calculation is performed.
- (3) Subtracting the product from step 2, above, from the personal income tax rate in effect at the time the calculation is performed.
- (4) The result is the new personal income tax rate for the immediately following tax year.

Proposed law further provides that if the calculation results in a reduction of .05% or less, then no rate reduction shall occur.

Proposed law requires the secretary of DOR to publish the reduced rate on the department's website and to include the reduced rate when publishing the tax tables and the withholding tables pursuant to present law.

Effective if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. 646 of this 2026 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Adds R.S. 47:32.1)