
DIGEST

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HB 1122 Original

2026 Regular Session

Beullieu

Abstract: Requires a calculation to be performed each year after monies are deposited into the La. Income Tax Elimination Fund (LITE Fund) that will reduce the personal income tax rate for the ensuing tax year.

Present law requires a state tax to be assessed, levied, collected, and paid upon the net income of individuals at the rate of 3%.

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)