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Ivey   HB No. 507

Abstract: Provides for a 10-year phase out of state tax on the net income of individuals commencing in tax years beginning in 2016.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual to be computed as follows:

(1)   2% on that portion of the first $12,500 of net income.

(2)   4% on the next $37,500 of net income.

(3)   6% on any amount of net income in excess of $50,000.

Present law provides that in the case of joint returns, the combined tax of present law is doubled.

Proposed law changes present law by requiring a phase out of the state tax on the net income of individuals as follows:

(1)   For tax years beginning during 2016, 90% of the rates provided for in present law.

(2)   For tax years beginning during 2017, 80% of the rates provided for in present law.
(3)   For tax years beginning during 2018, 70% of the rates provided for in present law.

(4)   For tax years beginning during 2019, 60% of the rates provided for in present law.

(5)   For tax years beginning during 2020, 50% of the rates provided for in present law.

(6)   For tax years beginning during 2021, 40% of the rates provided for in present law.

(7)   For tax years beginning during 2022, 30% of the rates provided for in present law.

(8)   For tax years beginning during 2023, 20% of the rates provided for in present law.

(9)   For tax years beginning during 2024, 10% of the rates provided for in present law.

(10)   No tax shall be assessed, levied, collected, or paid upon the income of an individual for any tax year commencing on or after Jan. 1, 2025.

Effective July 1, 2013, and applicable to all taxable years beginning on and after Jan. 1, 2016.

(Adds R.S. 47:32(D))