
DIGEST

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Talbot

HB No. 586

Abstract: Changes the tax levied on the net income of individuals from a graduated system of rates and brackets to a flat tax of 1.9% of the net income of individuals in excess of \$12,500.

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.

Proposed law changes present law by deleting the income tax rates and brackets of present law and implementing a flat tax of 1.9% on net income of an individual in excess of \$12,500. Present law provides that in the case of joint returns, the combined tax of present law shall be doubled.

Proposed law repeals present law.

Effective Jan. 1, 2014, and shall be applicable to all tax years beginning on and after Jan. 1, 2014.

(Amends R.S. 47:32(A); Repeals R.S. 47:32(B))