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## DIGEST

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Ivey

HB No. 632

**Abstract:** Provides for a 5-year phase out of the state tax on the net income of individuals commencing in tax year 2015, and provides for earlier repeal of the income tax for persons aged 65 and older.

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 shall be 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 2015 and 2016, no change of the rates provided for in present law.
- (2) For tax years beginning 2017, 80% of the rates provided for in present law.
- (3) For tax years beginning 2018 and 2019, 60% of the rates provided for in present law.
- (4) 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, 2019.

Proposed law further provides special provisions for persons aged 65 and older. Beginning Jan. 1, 2015, proposed law prohibits taxation of the income of persons who meet the following requirements:

- (1) Attained the age of sixty-five by Jan. 1, 2015.
- (2) Was domiciled in Louisiana on Jan. 1, 2015.

Effective July 1, 2013 and applicable to all taxable years beginning on and after Jan. 1, 2015.

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