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## DIGEST

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HB 264 Original

2015 Regular Session

Jay Morris

**Abstract:** Eliminates the deductibility of federal income taxes paid when computing state individual and corporate income taxes and establishes the rate of individual income tax at 2.5% of net income.

Present constitution authorizes equal and uniform taxes to be levied on net income. Further authorizes the rates for these taxes to be graduated according to the amount of net income of the taxpayer; however, the state individual and joint income tax schedule of rates and brackets are prohibited from exceeding the rates and brackets as they existed on Jan. 1, 2003.

Present constitution provides that state individual and joint income tax rates and brackets shall never exceed the rates and brackets set forth in Title 46 of the La. Revised Statutes on Jan. 1, 2003.

Proposed constitutional amendment changes present constitution by establishing the state individual income tax rates at 2.5% of net income. This will allow revision of rates in R.S. 47:32 to provide for flat tax rate on individuals and corporations.

Present constitution authorizes federal income taxes paid to be allowed as a deductible item in computing state income taxes for the same period.

Proposed constitutional amendment changes present constitution by eliminating the deductibility of federal income taxes paid when computing both individual and corporate income tax liability.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 24, 2015.

Applicable to all tax years beginning on and after Jan. 1, 2015.

(Amends Const. Art. VII, §4(A))