2016 First Extraordinary Session

HOUSE BILL NO. 76

BY REPRESENTATIVE STOKES

TAX/INCOME TAX: (Constitutional Amendment) Eliminates the income tax deduction
        for federal income taxes paid for purposes of computing individual and corporate
        income taxes and references to the maximum amount of individual income tax rates
        and brackets (Item #3)

1   A JOINT RESOLUTION

2   Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to

3   income taxation; to provide with respect to the rates and brackets for purposes of

4   calculating individual income taxes; to provide with respect to the deductibility of

5   federal income taxes paid for purposes of computing state income taxes; to provide

6   for applicability; to provide for submission of the proposed amendment to the

7   electors; and to provide for related matters.

8   Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

9   elected to each house concurring, that there shall be submitted to the electors of the state of

10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to

11 amend Article VII, Section 4(A) of the Constitution of Louisiana, to read as follows:

12   §4. Income Tax; Severance Tax; Political Subdivisions

13   Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net

14   incomes, and these taxes may be graduated according to the amount of net income.

15   However, the state individual and joint income tax schedule of rates and brackets

16   shall never exceed the rates and brackets set forth in Title 47 of the Louisiana

17   Revised Statutes on January 1, 2003. Federal income taxes paid shall be allowed as

18   a deductible item in computing state income taxes for the same period.

19   *   *   *

1   Section 2. Be it further resolved that the provisions of the amendment contained in

2   this Joint Resolution shall be applicable to all tax years beginning on and after January 1,

3   2017.

4   Section 3. Be it further resolved that this proposed amendment shall be submitted

5   to the electors of the state of Louisiana at the statewide election to be held on November 8,

6   2016.

7   Section 4. Be it further resolved that on the official ballot to be used at the election,

8   there shall be printed a proposition, upon which the electors of the state shall be permitted

9   to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as

10 follows:

11   Do you support an amendment to eliminate the deductibility of federal

12   income taxes paid and references to the maximum amounts of individual

13   income tax rates and brackets from the constitution? (Amends Article VII,

14   Section 4(A))

DIGEST

HB 76 Engrossed   2016 First Extraordinary Session   Stokes

Abstract: Eliminates the deduction for federal income taxes paid when computing state and individual income taxes and eliminates references to the maximum amount of individual income tax rates and brackets.

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 the taxpayer's net income; 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 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 and eliminates references to the maximum amount of the individual income tax rates and brackets from the constitution.

Applicable to all tax years beginning on and after Jan. 1, 2017.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2016.

(Amends Const. Art. VII, §4(A))