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## DIGEST

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HB 40 Original

2016 Second Extraordinary Session

Reynolds

**Abstract:** Changes the middle and upper brackets for purposes of calculating the individual income tax.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the following rates:

- (1) 2% on the first \$12,500 of net income;
- (2) 4% on the next \$37,500 of net income;
- (3) 6% on net income in excess of \$50,000.

Proposed law compresses the middle and upper income tax brackets as follows:

- (1) 2% on the first \$12,500 of net income;
- (2) To 4% on the next \$17,500 of net income;
- (3) To 6% on net income in excess of \$30,000.

Applicable to all taxable periods beginning on and after Jan. 1, 2016.

(Amends R.S. 47:32(A))