
DIGEST

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HB 353 Original

2017 Regular Session

Stokes

Abstract: Eliminates the deduction for federal income taxes paid when computing state individual income taxes and provides for the levy of a flat tax which shall be established in law.

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 individual income tax liability, eliminating references to the maximum amount of the individual income tax rates and brackets from the constitution, and providing for a flat individual income tax rate which shall be established in law.

Effective Jan. 1, 2018, and applicable to all tax years beginning on and after the effective date.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2017.

(Amends Const. Art. VII, §4(A))