

2018 First Extraordinary Session

HOUSE BILL NO. 13

BY REPRESENTATIVE SHADOIN

TAX/INCOME TAX: Changes the middle and upper income tax brackets for purposes of calculating individual income tax and reduces the amount of the deduction for excess federal itemized personal deductions (Items #1 & 6)

1 AN ACT
2 To amend and reenact R.S. 47:32(A) and 293(3)(c) and to enact R.S. 47:293(3)(d), relative
3 to the individual income tax; to provide with respect to the income brackets for
4 purposes of calculating individual income tax; to provide for the deduction for excess
5 federal itemized personal deductions; to reduce the amount of the deduction; to
6 provide for applicability; to provide for an effective date; and to provide for related
7 matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:32(A) and 293(3)(c) are hereby amended and reenacted and R.S.
10 47:293(3)(d) is hereby enacted to read as follows:

11 §32. Rates of tax

12 A. On individuals. The tax to be assessed, levied, collected and paid upon
13 the taxable income of an individual shall be computed at the following rates:

14 (1) Two percent on that portion of the first twelve thousand five hundred
15 dollars of net income which is in excess of the credits against net income provided
16 for in R.S. 47:79;

17 (2) Four percent on the next ~~thirty-seven~~ twelve thousand five hundred
18 dollars of net income;

1 (3) Six percent on any amount of net income in excess of ~~fifty~~ twenty-five
2 thousand dollars of net income.

3 * * *

4 §293. Definitions

5 The following definitions shall apply throughout this Part, unless the context
6 requires otherwise:

7 * * *

8 (3) "Excess federal itemized personal deductions" for the purposes of this
9 Part, means the following percentages of the amount by which the federal itemized
10 personal deductions exceed the amount of federal standard deductions which is
11 designated for the filing status used for the taxable period on the individual income
12 tax return required to be filed:

13 * * *

14 (c) For ~~all~~ tax years beginning on and after January 1, 2009, but before
15 January 1, 2018, one hundred percent of such excess federal itemized personal
16 deductions.

17 (d) For all tax years beginning on and after January 1, 2018, fifty percent of
18 such excess federal itemized personal deductions.

19 * * *

20 Section 2. The provisions of this Act shall be applicable to all taxable years
21 beginning on and after January 1, 2018.

22 Section 3. This Act shall become effective upon signature by the governor or, if not
23 signed by the governor, upon expiration of the time for bills to become law without signature
24 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
25 vetoed by the governor and subsequently approved by the legislature, this Act shall become
26 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 13 Original

2018 First Extraordinary Session

Shadoin

Abstract: Changes the middle and upper brackets for purposes of calculating the individual income tax and reduces the amount of the individual income tax deduction for excess federal itemized personal deductions from 100% to 50% for all tax years beginning on and after Jan. 1, 2018.

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) 4% on the next \$12,500 of net income;
- (3) 6% on net income in excess of \$25,000.

Present law authorizes a deduction from individual income taxes for excess federal itemized personal deductions. Excess federal itemized personal deductions is defined to mean 100% of the amount by which the federal itemized personal deductions exceed the amount of federal standard deduction designated for the filing status used for the taxable period on the individual income tax return.

Proposed law reduces the amount of the deduction from 100% to 50% for all tax years beginning on and after Jan. 1, 2018.

Applicable to all taxable periods beginning on and after Jan. 1, 2018.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:32(A) and 293(3)(c); Adds R.S. 47:293(3)(d))