
DIGEST

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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))