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## DIGEST

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HB 329 Original

2019 Regular Session

Wright

**Abstract:** Establishes the maximum individual income tax rate of 3.28% on net income and eliminates the mandatory deduction of federal income taxes paid when computing state income taxes.

Present constitution authorizes equal and uniform taxes to be levied on net individual and corporate 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 requires 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 providing for the establishment of income tax rates and brackets in law but limiting the maximum individual income tax rate at 3.28% on net income.

Proposed constitutional amendment eliminates the mandatory deduction of federal income taxes paid when computing state income tax liability.

Effective Jan. 1, 2020, and applicable to all tax years beginning on and after Jan. 1, 2020.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 12, 2019.

(Amends Const. Art. VII, §4(A))