

2019 Regular Session

HOUSE BILL NO. 441

BY REPRESENTATIVE IVEY

TAX/INCOME TAX: (Constitutional Amendment) Provides for a flat tax on individual income and eliminates the income tax deduction for federal income taxes paid for purposes of computing individual, estate and trust, and corporate income taxes

1
2 A JOINT RESOLUTION
3 Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to
4 income taxation; to provide with respect to the rates and brackets for purposes of
5 calculating individual income taxes; to provide for a flat rate for individual income
6 taxes; to provide with respect to the deductibility of federal income taxes paid for
7 purposes of computing state income taxes; to eliminate the deduction of federal
8 income taxes paid for purposes of computing state income taxes; to provide for
9 applicability; to provide for an effective date; to provide for submission of the
10 proposed amendment to the electors; and to provide for related matters.

11 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
12 elected to each house concurring, that there shall be submitted to the electors of the state of
13 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
14 amend Article VII, Section 4(A) of the Constitution of Louisiana, to read as follows:

15 §4. Income Tax; Severance Tax; Political Subdivisions
16 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
17 incomes, and these taxes may be graduated according to the amount of net income.
18 However, the state individual and joint income tax schedule of rates and brackets
19 shall never exceed the rates and brackets set forth in Title 47 of the Louisiana
Revised Statutes on January 1, 2003. Federal income taxes paid shall be allowed as

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 ~~a deductible item in computing state income taxes for the same period.~~ The state tax
2 levied on the net income of individuals shall be levied at a flat rate which shall be
3 established in law.

4 * * *

5 Section 2. Be it further resolved that the provisions of the amendment contained in
6 this Joint Resolution shall become effective on January 1, 2020, and shall be applicable for
7 all tax years beginning on and after January 1, 2020.

8 Section 3. Be it further resolved that this proposed amendment shall be submitted
9 to the electors of the state of Louisiana at the statewide election to be held on October 12,
10 2019.

11 Section 4. Be it further resolved that on the official ballot to be used at the election,
12 there shall be printed a proposition, upon which the electors of the state shall be permitted
13 to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
14 follows:

15 Do you support an amendment to require that all state individual income tax
16 be taxed at a flat rate and eliminate the deduction for federal income taxes
17 paid by taxpayers who file state individual, estates and trusts, or corporate
18 income tax returns? (January 1, 2020) (Amends Article VII, Section 4(A))

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)]

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Abstract: Requires a flat individual income tax rate and eliminates the deduction for federal income taxes paid for purposes of computing individual, estates and trusts, and corporate income taxes.

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

- (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 constitutional amendment deletes the reference to the individual income tax rates and brackets in existence on Jan. 1, 2003, in favor of specifying that a state tax levied on individual income shall be levied at a flat rate which shall be established in law.

Present constitution authorizes federal income taxes paid to be allowed as a deductible item in computing state individual, estates and trusts, and corporate income taxes for the same period.

Proposed constitutional amendment changes present constitution by eliminating the deductibility of federal income taxes paid when computing individual, estates and trusts, and corporate 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))