
DIGEST

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HB 203 Original

2021 Regular Session

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Abstract: Prohibits the levy of tax on net incomes and requires state property tax millage rates and collection to be established by law.

Present constitution authorizes equal and uniform taxes to be levied on net incomes. Further authorizes these taxes to be graduated according to the amount of net income; however, the state individual and joint income tax schedules 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 repeals present constitution and instead prohibits the levy of taxes on net incomes.

Present constitution authorizes local governments and other political subdivisions to levy ad valorem property taxes on movable and immovable property within their jurisdictions. Further, those taxes are subject to a variety of exemptions provided by the present constitution.

Present constitution limits state taxation on property for all purposes from exceeding 5.75 mills on the dollar of assessed valuation.

Proposed constitution eliminates references to the maximum state millage authorized to be levied on property and instead specifies that state taxes levied on the assessed valuation of property, including the maximum millage rate and the collection of the tax, shall be provided for by law.

Effective Jan. 1, 2023, and applicable to all tax years beginning on or after Jan. 1, 2023.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Const. Art. VII, §§4(A) and 19)