HLS 21RS-950 ORIGINAL

2021 Regular Session

HOUSE BILL NO. 529

1

BY REPRESENTATIVE LANDRY

TAX/INCOME TAX: Adds additional rates and brackets for purposes of calculating individual income tax liability

AN ACT

2 To amend and reenact R.S. 47:32(A), relative to individual income tax; to provide with 3 respect to the rates and brackets for purposes of calculating individual income tax; 4 to add additional rates and brackets; to provide for applicability; to provide for an 5 effective date; and to provide for related matters. 6 Be it enacted by the Legislature of Louisiana: 7 Section 1. R.S. 47:32(A) is hereby amended and reenacted to read as follows: 8 §32. Rates of tax 9 A. On individuals. The tax to be assessed, levied, collected and paid upon 10 the taxable income of an individual shall be computed at the following rates: 11 (1) Two percent on that portion of the first twelve thousand five hundred 12 dollars of net income which is in excess of the credits against net income provided 13 for in R.S. 47:79; 14 (2) Four percent on the next thirty-seven thousand five hundred dollars of 15 net income; 16 (3) Six percent on any amount the next four hundred fifty thousand dollars 17 of net income in excess of fifty thousand dollars of net income.

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

(4) Seven percent on the next five hundred thousand dollars of net income. 1 2 (5) Eight percent on any amount of net income in excess of one million 3 dollars. 4 5 Section 3. The provisions of this Act shall be applicable to taxable periods beginning 6 on or after January 1, 2023. 7 Section 4. This Act shall take effect and become operative on January 1, 2023, if the 8 proposed amendment of Article VII of the Constitution of Louisiana contained in the Act which originated as House Bill No. of this 2021 Regular Session of the Legislature is 9 10 adopted at a statewide election and becomes effective. **DIGEST** The digest printed below was prepared by House Legislative Services. It constitutes no part

HB 529 Original

2021 Regular Session

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)]

Landry

Abstract: Adds 7% and 8% rates and brackets for purposes of calculating individual income tax liability.

<u>Present law</u> provides for a tax to be assessed, levied, collected, and paid on 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.

<u>Proposed law</u> changes the individual income tax rates and brackets as follows:

- (1) 2% on the first \$12,500 of net income.
- (2) 4% on the next \$37,500 of net income.
- (3) 6% on next \$450,000 of net income.
- (4) 7% on the next \$500,000 of net income.
- (5) 8% on net income in excess of \$1,000,000.

<u>Present law</u> requires the rates and brackets for individuals filing joint returns to be doubled for purposes of calculating individual income tax liability.

Proposed law retains present law.

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Applicable to taxable periods beginning on or after Jan. 1, 2023.

Effective Jan. 1, 2023, if the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ____ of this 2021 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:32(A))