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## DIGEST

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HB 274 Reengrossed

2021 Regular Session

Bishop

**Abstract:** Requires state income tax rates and brackets to be provided for in law and eliminates the deductibility of federal income taxes paid when computing state individual and estate and trust 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 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 changes present constitution by eliminating references to the maximum amount of the individual income tax rates and brackets and instead specifying that the rates and brackets of all income taxes shall be provided for in law. Additionally limits the mandatory deductibility of federal income taxes to corporate income tax.

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))

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the engrossed bill:

1. Make technical changes to the ballot language.