

2023 Regular Session

SENATE BILL NO. 176

BY SENATOR STINE

TAX/INCOME/PERSONAL. Increases the individual income tax combined personal exemption and standard deduction. (8/1/23)

1 AN ACT

2 To amend and reenact R.S. 47:293(9)(a)(iv), 294, and 295(C), relative to increasing the
3 individual income tax combined personal exemption and personal deduction; to
4 increase the individual income tax combined personal exemption and personal
5 deduction for all filing statuses; to provide for inflation adjustments for the combined
6 personal exemption and standard deduction; to provide for applicability; and to
7 provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:293(9)(a)(iv), 294, and 295(C) are hereby amended and reenacted
10 to read as follows:

11 §293. Definitions

12 The following definitions shall apply throughout this Part, unless the context
13 requires otherwise:

14 * * *

15 (9)(a) "Tax table income", for resident individuals, means adjusted gross
16 income plus interest on obligations of a state or political subdivision thereof, other
17 than Louisiana and its municipalities, title to which obligations vested with the

1 resident individual on or subsequent to January 1, 1980, and less:

2 * * *

3 (iv) The ~~excess, if any, of the~~ personal exemptions and deductions provided
4 for in R.S. 47:294 ~~over the amount of the personal exemptions and deductions~~
5 ~~already included in the tax tables in promulgated by the secretary under authority of~~
6 ~~R.S. 47:295.~~

7 * * *

8 §294. Personal exemptions and **credit deduction** for dependents

9 A. All personal exemptions and deductions for dependents allowed in
10 determining federal income tax liability, including the extra exemption for the blind
11 and aged, will be allowed in determining the tax liability in this Part. Taxpayers are
12 required to use the same filing status and claim the same exemptions on their return
13 required to be filed under this Part as they used on their federal income tax return.

14 ~~The amounts to be taken into consideration shall be as follows:~~

15 ~~A.~~ B. A combined personal exemption and standard deduction **shall be**
16 **allowed** in the following amounts:

17 a. (1) Single Individual \$ ~~4500.00~~ **13,500.00**

18 b. (2) Married-Joint Return and a Qualified Surviving Spouse \$ ~~9000.00~~
19 **27,000.00**

20 c. (3) Married-Separate \$ ~~4500.00~~ **13,500.00**

21 d. (4) Head of Household \$ ~~9000.00~~ **27,000.00**

22 C. Annual inflation adjustment.

23 **(1) For calendar years beginning on and after January 1, 2027, the**
24 **amounts provided for in Subsection B of this Section shall be adjusted annually**
25 **for each calendar year by the percentage increase in the Consumer Price Index**
26 **United States city average for all urban consumers (CPI-U), as prepared by the**
27 **United States Department of Labor, Bureau of Labor Statistics, as determined**
28 **by the secretary of the Department of Revenue on December first of the**
29 **preceding calendar year.**

exemption and standard deduction for all filing statuses by applying the percentage increase in the Consumer Price Index United States city average for all urban consumers (CPI-U) for the preceding year.

Proposed law required the Department of Revenue to round down to the nearest \$50 increment when applying the inflation adjustment provided that the combined personal exemption and standard deduction for married-joint filers is never less than double that for single filers.

Present law requires the applicable personal exemptions and deductions to be incorporated into the tax tables prepared by the Department of Revenue.

Proposed law removes this requirement and requires the applicable personal exemptions and deductions to be directly subtracted from adjusted gross income to determine the amount of income subject to the individual income tax.

Applicable to all tax periods beginning on or after January 1, 2026.

Effective August 1, 2023.

(Amends R.S. 47:293(9)(a)(iv), 294, and 295(C))