The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Curry Lann.

## DIGEST 2023 Regular Session

Stine

<u>Present law</u> authorizes a combined personal exemption and standard deduction to be subtracted from federal adjusted gross income when determining an individual income taxpayer's Louisiana taxable income.

<u>Proposed law</u> increases the amounts of the combined personal exemption and standard deduction for those individuals using a single or married filing separate filing status from \$4,500 to \$13,500. <u>Proposed law</u> increases the amounts of the combined personal exemption and standard deduction for those individuals using a married-joint, qualifying surviving spouse, or head of household filing status from \$9,000 to \$27,000.

<u>Proposed law</u> provides for an annual inflation adjustment for the combined personal 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.

<u>Proposed law</u> 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.

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

<u>Proposed law</u> 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.

SB 176 Original

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