

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 3

2023 Regular Session

Allain

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

TAX/TAXATION. Changes the month for the annual determination of the personal income tax and corporate franchise tax automatic rate reductions. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Change the effective date of proposed law from August 1, 2023, to upon signature of the governor.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

DIGEST

SB 3 Engrossed

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Present law provides for individual income tax rates as follows:

- (1) 1.85% on the first \$12,500 of net income.
- (2) 3.5% on the next \$37,500 of net income.
- (3) 4.25% on net income in excess of \$50,000.

Proposed law retains present law.

Present law requires an automatic rate reduction in each individual income tax rate if, beginning April 1, 2024, and each April first thereafter through 2034, the prior fiscal year's actual individual income tax collections as reported in the state's accounting system exceed the actual individual income tax collections for the fiscal year ending June 30, 2019, adjusted annually by the growth factor provided for in existing constitution.

Proposed law changes the month for the annual determination of an automatic rate reduction from April 1, 2024, and each April first thereafter through 2034 to January 1, 2024, and each January first thereafter through 2034, and otherwise retains present law.

Present law levies a corporation franchise tax at the rate of 2.75% per \$1,000 on taxable capital above \$300,000 beginning Jan. 1, 2023.

Proposed law retains present law.

Present law requires an automatic corporation franchise tax rate reduction beginning April 1, 2024, and each April first thereafter, if in any year that corporation income and franchise tax collections exceed the Fiscal Year 2018-19 corporation income and franchise tax collections, adjusted annually by the growth factor provided for in existing constitution.

Proposed law changes the month for the annual determination of an automatic rate reduction from April 1, 2024, and each April first thereafter to January 1, 2024, and each January first thereafter, and otherwise retains present law.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:32.1(A)(1) and 601.2(A)(1))

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