

2024 Regular Session

HOUSE BILL NO. 844

BY REPRESENTATIVE RISER

TAX/INCOME TAX: Repeals the individual income tax

1 AN ACT

2 To amend and reenact R.S. 47:31, 32(A), and 295(Section heading) and to repeal R.S.  
3 47:32.1, 290, 295(A), and 296.1(B)(3)(e) and (5), relative to income tax; to eliminate  
4 the tax on income of individuals; to repeal provisions which impose an individual  
5 income tax; to repeal certain references to the imposition of an individual income  
6 tax; to repeal provisions for individual income tax rate reductions based on certain  
7 conditions; to provide for applicability; to provide for an effective date; and to  
8 provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:31, 32(A), and 295(Section heading) are hereby amended and  
11 reenacted to read as follows:

12 §31. ~~Individuals, corporations~~ Corporations, estates, and trusts subject to tax

13 There shall be levied, collected, and paid for each taxable year a tax upon the  
14 net income of ~~residents and nonresidents,~~ estates, trusts, and corporations, as  
15 hereinafter provided:;

16 (1) ~~Resident individuals. Every person residing within the state, or the~~  
17 ~~personal representative in the event of death, shall pay a tax on net income from~~  
18 ~~whatever source derived, except as hereinafter exempted.~~

19 Every natural person domiciled in the state, and every other natural person  
20 who maintains a permanent place of abode within the state or who spends in the

1 aggregate more than six months of the taxable year within the state, shall be deemed  
2 to be a resident of this state for the purpose of determining liability for income taxes  
3 under this Chapter.

4 (2) Nonresident individuals. Every nonresident shall pay a tax upon such net  
5 income as is derived from property located, or from services rendered, or from  
6 business transacted within the state, or from sources within the state, except as  
7 hereinafter exempted.

8 (3) Corporations. Corporations shall be taxed on net income from sources  
9 within the state, as hereinafter set out.

10 (4) (2) Domestic real estate investment trusts. Trusts shall be taxed on net  
11 income from whatever source derived, except as otherwise exempted.

12 (5) (3) Foreign real estate investment trusts. Foreign real estate investment  
13 trusts shall be taxed on net income from sources within the state, as hereinafter set  
14 out.

15 §32. Rates of tax

16 A. On individuals. For taxable years beginning on or after January 1, 2026,  
17 no tax shall be assessed, levied, collected, or paid upon the taxable income of an  
18 individual. The tax to be assessed, levied, collected, and paid upon the taxable  
19 income of an individual shall be computed at the following rates:

20 (1) ~~One and eighty-five one hundredths percent on that portion of the first~~  
21 ~~twelve thousand five hundred dollars of net income which is in excess of the credits~~  
22 ~~against net income provided for in R.S. 47:79.~~

23 (2) ~~Three and one-half percent on the next thirty-seven thousand five~~  
24 ~~hundred dollars of net income.~~

25 (3) ~~Four and twenty-five one hundredths percent on any amount of net~~  
26 ~~income in excess of fifty thousand dollars of net income.~~

27 \* \* \*

28 §295. Tax imposed on Provisions for individuals; administration

29 \* \* \*

1 Section 2. R.S. 47:32.1, 290, 295(A), and 296.1(B)(3)(e) and (5) are hereby repealed  
2 in their entirety.

3 Section 3. The provisions of this Act shall apply to taxable years beginning on or  
4 after January 1, 2026.

5 Section 4. This Act shall become effective on January 1, 2026.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part 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)]

HB 844 Original

2024 Regular Session

Riser

**Abstract:** Repeals the individual income tax effective January 1, 2026.

Present law imposes an income tax for each taxable year upon the La. income of every individual, whether resident or nonresident. Proposed law repeals present law.

Proposed law repeals references to the imposition of an individual income tax appearing in present law.

Present law requires and provides for the levy, collection, and payment of tax upon the net income of estates, trusts, corporations, and resident and nonresident individuals.

Proposed law eliminates references to a tax upon the net income of individuals. Proposed law thereby provides that the only entities whose net income is subject to taxation are estates, trusts, and corporations.

Present law establishes the following rates of tax to be assessed, levied, collected, and paid upon the taxable income of an individual:

- (1) 1.85% on the portion of the first \$12,500 of net income in excess of credits against that income.
- (2) 3.50% on the next \$37,500 of net income.
- (3) 4.25% on any amount of net income in excess of \$50,000.

Proposed law repeals present law and provides instead that for taxable years beginning on or after Jan. 1, 2026, no tax shall be assessed, levied, collected, or paid upon the taxable income of an individual.

Present law provides for automatic reductions in individual income tax rates if certain conditions are met. Proposed law repeals present law.

Proposed law applies to taxable years beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:31, 32(A), and 295(Section heading); Repeals R.S. 47:32.1, 290, 295(A), and 296.1(B)(3)(e) and (5))