2025 Regular Session

HOUSE BILL NO. 333

## BY REPRESENTATIVE MCMAKIN

## TAX/INCOME TAX: Reduces the rate of individual income tax incrementally over a period of time before ultimately eliminating the tax

1	AN ACT
2	To amend and reenact R.S. 47:32(A), relative to individual income tax; to provide for the
3	rate of the tax; to reduce the rate over a period of time; to provide for elimination of
4	the tax after a certain date; to provide for applicability; to provide for an effective
5	date; and to provide for related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 47:32(A) is hereby amended and reenacted to read as follows:
8	§32. Rates of tax
9	A.(1) On individuals. The For taxable years beginning before January 1,
10	2026, the tax to be assessed, levied, collected, and paid upon the taxable income of
11	an individual shall be computed at the rate of three percent on net income.
12	(2) For taxable years beginning on or after January 1, 2026, the respective
13	rates of tax to be assessed, levied, collected, and paid upon the taxable income of an
14	individual shall be as follows:
15	(a) Beginning January 1, 2026, through December 31, 2026, the rate shall
16	be two and eight tenths percent.
17	(b) Beginning January 1, 2027, through December 31, 2027, the rate shall
18	be two and six tenths percent.
19	(c) Beginning January 1, 2028, through December 31, 2028, the rate shall
20	be two and four tenths percent.

## Page 1 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	(d) Beginning January 1, 2029, through December 31, 2029, the rate shall
2	be two and two tenths percent.
3	(e) Beginning January 1, 2030, through December 31, 2030, the rate shall
4	be two percent.
5	(f) Beginning January 1, 2031, through December 31, 2031, the rate shall be
6	one and eight tenths percent.
7	(g) Beginning January 1, 2032, through December 31, 2032, the rate shall
8	be one and six tenths percent.
9	(h) Beginning January 1, 2033, through December 31, 2033, the rate shall
10	be one and four tenths percent.
11	(i) Beginning January 1, 2034, through December 31, 2034, the rate shall be
12	one and two tenths percent.
13	(j) Beginning January 1, 2035, through December 31, 2035, the rate shall be
14	one percent.
15	(k) Beginning January 1, 2036, through December 31, 2036, the rate shall
16	be eight tenths percent.
17	(1) Beginning January 1, 2037, through December 31, 2037, the rate shall be
18	six tenths percent.
19	(m) Beginning January 1, 2038, through December 31, 2038, the rate shall
20	be four tenths percent.
21	(n) Beginning January 1, 2039, through December 31, 2039, the rate shall
22	be two tenths percent.
23	(3) Beginning January 1, 2040, no tax shall be assessed, levied, collected, or
24	paid upon the taxable income of an individual.
25	* * *
26	Section 2. This Act shall be known and may be cited as the "Banish All
27	Nonproductivity to Delete Income Tax Act" or "BANDIT Act".
28	Section 3. The provisions of this Act shall apply to taxable years beginning on or
29	after January 1, 2026.

1

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 333 Original	2025 Regular Session	McMakin
--	-----------------	----------------------	---------

**Abstract:** Reduces the rate of individual income tax incrementally over 15 years until the tax is eliminated in 2040.

<u>Present law</u> provides for a state tax known commonly as the individual income tax. Provides that the tax shall be assessed, levied, collected, and paid upon the taxable income of an individual at the rate of 3% on net income.

<u>Proposed law</u> law provides that, beginning in tax year 2026, the individual income tax rate shall be reduced by 0.20% each year, for a period of 15 years, thereby eliminating the state income tax beginning Jan. 1, 2040.

<u>Proposed law</u> provides that it shall be known and may be cited as the "Banish All Nonproductivity to Delete Income Tax Act" or "BANDIT Act".

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

Effective Jan. 1, 2026.

(Amends R.S. 47:32(A))