

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.

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.

Present law 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.

Proposed 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.

Proposed law 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))