

2025 Regular Session

HOUSE BILL NO. 489

BY REPRESENTATIVE MANDIE LANDRY

TAX/INCOME TAX: Establishes rates and brackets for purpose of calculating the tax levied on individual income

1 AN ACT

2 To amend and reenact R.S. 47:32(A), relative to income tax; to provide for the state tax
3 levied on the net income of individuals; to provide for the rate of the tax; to provide
4 for applicability; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:32(A) is hereby amended and reenacted to read as follows:

7 §32. Rates of tax

8 A. On individuals. The tax to be assessed, levied, collected, and paid upon
9 the taxable income of an individual shall be computed at the ~~rate of three percent on~~
10 ~~net income.~~ following rates:

11 (1) Three percent on that portion of the first five hundred thousand dollars
12 of net income.

13 (2) Four and seventy-five hundredths percent any amount of net income in
14 excess of five hundred thousand dollars.

15 * * *

16 Section 2. The provisions of this Act shall apply to taxable periods beginning on or
17 after January 1, 2026.

18 Section 3. 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 489 Original

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Mandie Landry

Abstract: Changes the state tax levied on the net income of individuals from a flat 3% tax to a two bracket system with the imposition of a 3% tax on the first \$500,000 of net income and a tax of 4.75% on net income in excess of \$500,000.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the rate of 3% on net income.

Proposed law changes present law with respect to the rate by changing from a flat 3% tax rate on all income to a two bracket system with the imposition of a 3% tax on the first \$500,000 of net income and a 4.75% tax on net income in excess of \$500,000.

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

Effective Jan. 1, 2026.

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