

Regular Session, 2008

SENATE BILL NO. 87

BY SENATOR SHAW

TAX/INCOME/PERSONAL. Reduces individual income tax rates in the two highest brackets to the same amounts as provided for prior to the enactment of the Stelly Plan (Act 51 of 2002). (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:32(A), relative to individual income tax; to provide for a
3 reduction of rates and brackets; and to provide for related matters.

4 Be it enacted by the Legislature of Louisiana:

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

6 §32. Rates of tax

7 A. On individuals. The tax to be assessed, levied, collected, and paid upon
8 the taxable income of an individual shall be computed at the following rates:

9 (1) Two percent on that portion of the first twelve thousand five hundred
10 dollars of net income which is in excess of the credits against net income provided
11 for in R.S. 47:79;

12 (2) Four percent on the next ~~twelve thousand five hundred~~ **thirty-seven**
13 **thousand five hundred** dollars of net income;

14 (3) Six percent on any amount of net income in excess of ~~twenty-five~~ **fifty**
15 thousand dollars of net income.

16 * * *

17 Section 2. The provisions of this Act shall be applicable for all tax years beginning

1 after December 31, 2007.

2 Section 3. This Act shall become effective upon signature by the governor or, if not
3 signed by the governor, upon expiration of the time for bills to become law without signature
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become
6 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Shaw (SB 87)

Proposed law provides a reduction of individual income tax rates in the two highest brackets to the same amounts as provided for prior to the enactment of the Stelly Plan (Act 51 of 2002), as follows:

Present law levies a rate of 2% on the first \$12,500 of net income.

Proposed law does not change present law.

Present law levies a rate of 4% on the next \$12,500 of net income, and 6% on net income above \$25,000.

Proposed law levies the 4% rate on the next \$37,500 of net income, thus reducing the rate to 4% for those with net incomes between \$25,001 and \$50,000, now subject to 6% under present law.

Effective upon signature of the governor or lapse of time for gubernatorial action and applies to all tax years beginning after December 31, 2007.

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

Summary of Amendments Adopted by Senate

Senate Floor Amendments to original bill.

1. Deletes provisions immediately restoring the full deduction for "excess federal itemized deductions."