

SENATE SUMMARY OF HOUSE AMENDMENTS

SB 87 By Senator Shaw

KEYWORD AND SUMMARY AS RETURNED TO THE SENATE

TAX/INCOME PERSONAL. Reduces certain state income tax rates in the two highest income brackets for tax years beginning on or after January 1, 2009. (gov sig)

SUMMARY OF HOUSE AMENDMENTS TO THE SENATE BILL

1. Changes the bill from one which phases out the individual income tax over a ten year period to one which reduces the individual income tax rates in the two highest brackets to the amounts in effect prior to the enactment of the Stelly Plan (Act No. 51 of 2002).
2. Adds prohibition against amending the withholding tables for individual income taxes until after July 1, 2009.
3. Makes provisions of proposed law applicable for all tax years beginning on and after January 1, 2009.

DIGEST OF THE SENATE BILL AS RETURNED TO THE SENATE

The original instrument was prepared by Riley Boudreaux. The following digest, which does not constitute a part of the legislative instrument, was prepared by Thomas L. Tyler.

DIGEST

Shaw (SB No. 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 retains this provision.

Present law levies a rate of 4% on the next \$12,500 of net income. Proposed law increases the net income amount and provides that the 4% rate is levied on the next \$37,500 of net income.

Present law levies a rate of 6% on the amount of net income in excess of \$25,000. Proposed law increases the net income amount and provides that the 6% rate is levied on the amount of net income in excess of \$50,000.

Proposed law applies to tax years beginning on or after January 1, 2009 and prohibits the secretary of the Department of Revenue from amending the withholding tables for individuals until after July 1, 2009.

Effective upon signature of the governor or lapse of time for gubernatorial action for all tax years beginning on and after January 1, 2009.

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

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