

New 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:

Prior law levied a rate of 2% on the first \$12,500 of net income. New law retains this provision.

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

Prior law levied a rate of 6% on the amount of net income in excess of \$25,000. New 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.

New 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 (June 21, 2008) for all tax years beginning on and after January 1, 2009.

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