

Regular Session, 2011

SENATE BILL NO. 259

BY SENATOR MARIONNEAUX

TAX/TAXATION. Phases out the state personal and corporate state income taxes. (8/15/11)

1 AN ACT

2 To amend and reenact R.S. 47:32(A) and (C) and to enact R.S. 47:32(D), relative to income  
3 taxes; to phase out the taxes on personal and corporate income; and to provide for  
4 related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:32(A) and (C) are hereby amended and reenacted and R.S.  
7 47:32(D) is hereby enacted to read as follows:

8 §32. Rates of tax

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

11 (1) ~~Two~~ **For tax years commencing prior to January 1, 2011, two** percent  
12 on that portion of the first twelve thousand five hundred dollars of net income which  
13 is in excess of the credits against net income provided for in R.S. 47:79; **for the tax**  
14 **year commencing in 2011, one and six/tenths percent; for the tax year**  
15 **commencing in 2012, one and two/tenths percent; for the tax year commencing**  
16 **in 2013, eight/tenths percent; and for the tax year commencing in 2014,**  
17 **four/tenths percent.**

1 (2) ~~Four~~ **For tax years commencing prior to January 1, 2011, four** percent  
2 on the next thirty-seven thousand five hundred dollars of net income; **for the tax**  
3 **year commencing in 2011, three and two/tenths percent; for the tax year**  
4 **commencing in 2012, two and four/tenths percent; for the tax year commencing**  
5 **in 2013, one and six/tenths percent; and for the tax year commencing in 2014,**  
6 **eight/tenths percent.**

7 (3) ~~Six~~ **For tax years commencing prior to January 1, 2011, six** percent  
8 on any amount of net income in excess of fifty thousand dollars of net income; **for**  
9 **the tax year commencing in 2011, four and eight/tenths percent; for the tax year**  
10 **commencing in 2012, three and six/tenths percent; for the tax year commencing**  
11 **in 2013, two and four/tenths percent; and for the tax year commencing in 2014,**  
12 **one and two/tenths percent.**

13 \* \* \*

14 C. On corporations. The tax to be assessed, levied, collected, and paid upon  
15 the net income of every corporation shall be computed at the rate of:

16 (1) ~~Four~~ **For tax years commencing prior to January 1, 2011, four**  
17 ~~percentum~~ upon the first twenty-five thousand dollars of net income; **for the tax**  
18 **year commencing in 2011, three and two/tenths percent; for the tax year**  
19 **commencing in 2012, two and four/tenths percent; for the tax year commencing**  
20 **in 2013, one and six/tenths percent; and for the tax year commencing in 2014,**  
21 **eight/tenths percent.**

22 (2) ~~Five~~ **For tax years commencing prior to January 1, 2011, five**  
23 ~~percentum~~ upon the amount of net income above twenty-five thousand dollars but  
24 not in excess of fifty thousand dollars; **for the tax year commencing in 2011, four**  
25 **percent; for the tax year commencing in 2012, three percent; for the tax year**  
26 **commencing in 2013, two percent; and for the tax year commencing in 2014, one**  
27 **percent.**

28 (3) ~~Six~~ **For tax years commencing prior to January 1, 2011, six**  
29 ~~percentum~~ on the amount of net income above fifty thousand dollars but not in

1 excess of one hundred thousand dollars; **for the tax year commencing in 2011, four**  
 2 **and eight/tenths percent; for the tax year commencing in 2012, three and**  
 3 **six/tenths percent; for the tax year commencing in 2013, two and four/tenths**  
 4 **percent; and for the tax year commencing in 2014, one and two/tenths percent.**

5 (4) ~~Seven~~ **For tax years commencing prior to January 1, 2011, seven**  
 6 ~~percentum~~ on the amount of net income above one hundred thousand dollars but not  
 7 in excess of two hundred thousand dollars; **for the tax year commencing in 2011,**  
 8 **five and six/tenths percent; for the tax year commencing in 2012, four and**  
 9 **two/tenths percent; for the tax year commencing in 2013, two and eight/tenths**  
 10 **percent; and for the tax year commencing in 2014, one and four/tenths percent.**

11 (5) ~~Eight~~ **For tax years commencing prior to January 1, 2011, eight**  
 12 ~~percentum~~ on all net income in excess of two hundred thousand dollars; **for the tax**  
 13 **year commencing in 2011, six and four/tenths percent; for the tax year**  
 14 **commencing in 2012, four and eight/tenths percent; for the tax year**  
 15 **commencing in 2013, three and two/tenths percent; and for the tax year**  
 16 **commencing in 2014, one and six/tenths percent.**

17 **D. No tax shall be assessed, levied, collected, or paid upon the income of**  
 18 **an individual or a corporation for any tax year commencing on or after January**  
 19 **1, 2015.**

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Jerry J. Guillot.

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#### DIGEST

Present law provides tax rates on personal and corporate income as follows:

##### Individual rates

2% of the first \$12,500 of net income which is in excess of the credits against net  
 income provided for in present law.

4% percent on the next \$37,500 of net income.

6% on any amount of net income in excess of \$50,000 of net income.

##### Corporate rates

4% on the first \$25,000 of net income.

5% on the amount of net income above \$25,000 but not in excess of \$50,000.

6% on the amount of net income above \$50,000 but not in excess of \$100,000.

7% on the amount of net income above \$100,000 but not in excess of \$200,000.

8% on all net income in excess of \$200,000.

Proposed law, relative to the tax rates on individual income provides that:

- A. On that portion of the first \$12,500 of net income which is in excess of the credits against net income provided for in present law:
- (1) For the tax year commencing in 2011, 1.6%.
  - (2) For the tax year commencing in 2012, 1.2%.
  - (3) For the tax year commencing in 2013, .8%.
  - (4) For the tax year commencing in 2014, .4%.
- B. On the next \$37,500 of net income:
- (1) For the tax year commencing in 2011, 3.2%.
  - (2) For the tax year commencing in 2012, 2.4%.
  - (3) For the tax year commencing in 2013, 1.6%.
  - (4) For the tax year commencing in 2014, .8%.
- C. On any amount of net income in excess of \$50,000 of net income:
- (1) For the tax year commencing in 2011, 4.8%.
  - (2) For the tax year commencing in 2012, 3.6%.
  - (3) For the tax year commencing in 2013, 2.4%.
  - (4) For the tax year commencing in 2014, 1.3%.

Proposed law, relative to the tax rates on corporate income provides that:

- A. On the first \$25,000:
- (1) For the tax year commencing in 2011, 3.2%.
  - (2) For the tax year commencing in 2012, 2.4%.
  - (3) For the tax year commencing in 2013, 1.6%.
  - (4) For the tax year commencing in 2014, .8%.
- B. On the amount of net income above \$25,000 but not in excess of \$50,000:
- (1) For the tax year commencing in 2011, 4%.
  - (2) For the tax year commencing in 2012, 3%.
  - (3) For the tax year commencing in 2013, 2%.
  - (4) For the tax year commencing in 2014, 1%.
- C. On the amount of net income above \$50,000 but not in excess of \$100,000:
- (1) For the tax year commencing in 2011, 4.8%.
  - (2) For the tax year commencing in 2012, 3.6%.
  - (3) For the tax year commencing in 2013, 2.4%.
  - (4) For the tax year commencing in 2014, 1.2%.
- D. On the amount of net income above \$100,000 but not in excess of \$200,000:
- (1) For the tax year commencing in 2011, 5.6%.
  - (2) For the tax year commencing in 2012, 4.2%.
  - (3) For the tax year commencing in 2013, 2.8%.
  - (4) For the tax year commencing in 2014, 1.4%.
- E. On all net income in excess of \$200,00:
- (1) For the tax year commencing in 2011, 6.4%.
  - (2) For the tax year commencing in 2012, 4.8%.

- (3) For the tax year commencing in 2013, 3.2%.
- (4) For the tax year commencing in 2014, 1.6%.

Proposed law provides that no tax shall be assessed, levied, collected, or paid upon the income of an individual or a corporation for any tax year commencing on or after 1/1/15.

Effective August 15, 2011.

(Amends R.S. 47:32(A) and (C); adds R.S. 47:32(D))