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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))