

Regular Session, 2011

SENATE BILL NO. 259

BY SENATOR MARIONNEAUX

TAX/TAXATION. Phases out individual and corporate income tax over 10 calendar years beginning with calendar year 2013 and ending in calendar year 2022, when no tax would be due. (8/15/11)

1 AN ACT

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

4 Be it enacted by the Legislature of Louisiana:

5 Section 1. R.S. 47:32(D) is hereby enacted to read as follows:

6 §32. Rates of tax

7 * * *

8 **D.(1) Notwithstanding the provisions of Subsections (A) and (C) of this**
9 **Section, the rates applicable to each class of taxpayer as set forth in those**
10 **Subsections shall be phased out over ten calendar years as follows:**

11 **(a) For tax years beginning during 2013, ninety percent of the rates**
12 **provided for in those Subsections.**

13 **(b) For tax years beginning during 2014, eighty percent of the rates**
14 **provided for in those Subsections.**

15 **(c) For tax years beginning during 2015, seventy percent of the rates**
16 **provided for in those Subsections.**

17 **(d) For tax years beginning during 2016, sixty percent of the rates**

1 provided for in those Subsections.

2 (e) For tax years beginning during 2017, fifty percent of the rates
 3 provided for in those Subsections.

4 (f) For tax years beginning during 2018, forty percent of the rates
 5 provided for in those Subsections.

6 (g) For tax years beginning during 2019, thirty percent of the rates
 7 provided for in those Subsections.

8 (h) For tax years beginning during 2020, twenty percent of the rates
 9 provided for in those Subsections.

10 (i) For tax years beginning during 2021, ten percent of the rates provided
 11 for in those Subsections.

12 (2) No tax shall be assessed, levied, collected, or paid upon the income
 13 of an individual or a corporation for any tax year commencing on or after
 14 January 1, 2022.

The original instrument was prepared by Jerry J. Guillot. The following digest, which does not constitute a part of the legislative instrument, was prepared by Riley Boudreaux.

DIGEST

Marionneaux (SB 259)

Present law provides tax rates on individual 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 phases-out individual and corporate income tax over 10 calendar years by reducing the above rates 10% per calendar year, beginning with calendar year 2013 and ending in calendar year 2022, when no individual or corporate income tax would be due. For tax years beginning in 2013, tax would be assessed at 90% of the rates above; for tax years beginning in 2014, 80%; 2015, 70%, etc.

Effective August 15, 2011.

(Adds R.S. 47:32(D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the engrossed bill.

1. Changes the bill from a 4-year phase out of individual and corporate income tax beginning in 2011 and ending in 2015, when no tax would be due to the 10-year phase out described above.