

Regular Session, 2013

HOUSE BILL NO. 536

BY REPRESENTATIVE KATRINA JACKSON

TAX/INCOME TAX: (Constitutional Amendment) Requires federal income taxes paid as a deductible item in computing state individual income tax and authorizes the deduction in computing state corporate income tax

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to
3 income taxation; to require the deductibility of federal income taxes in computing
4 state individual income tax; to authorize the deductibility of federal income taxes
5 in computing state corporate income tax; to provide for an effective date; to provide
6 for submission of the proposed amendment to the electors; and to provide for related
7 matters.

8 Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members
9 elected to each house concurring, that there shall be submitted to the electors of the state of
10 Louisiana, for their approval or rejection in the manner provided by law, a proposal to
11 amend Article VII, Section 4(A) of the Constitution of Louisiana, to read as follows:

12 §4. Income Tax; Severance Tax; Political Subdivisions

13 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
14 incomes, and these taxes may be graduated according to the amount of net income.

15 However, the state individual and joint income tax schedule of rates and brackets
16 shall never exceed the rates and brackets set forth in Title 47 of the Louisiana
17 Revised Statutes on January 1, 2003. Federal income taxes paid shall be allowed as
18 a deductible item in computing state individual income taxes for the same period.

The deductibility of federal income taxes paid in computing state corporate income tax shall be provided by law.

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Section 2. Be it further resolved that the provisions of the amendment contained in this Joint Resolution shall become effective on January 1, 2014.

Section 3. Be it further resolved that this proposed amendment shall be submitted to the electors of the state of Louisiana at the special statewide election to be held on October 19, 2013, as authorized by law.

Section 4. Be it further resolved that on the official ballot to be used at the election, there shall be printed a proposition, upon which the electors of the state shall be permitted to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as follows:

Do you support an amendment requiring the deductibility of federal income taxes in computing state individual income taxes and authorizing the deductibility of such taxes in computing corporate income taxes? (Effective January 1, 2014) (Amends Article VII, Section 4(A))

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Katrina Jackson

HB No. 536

Abstract: Requires federal income taxes paid to be allowed as a deductible item in computing state individual income tax and *authorizes* the deductibility of such taxes in computing corporate income tax.

Present constitution authorizes equal and uniform taxes to be levied on net incomes. Further authorizes the rates for these taxes to be graduated according to the amount of net income of the taxpayer; however, the state individual and joint income tax schedule of rates and brackets shall never exceed the rates and brackets as they existed on Jan. 1, 2003.

Present constitution authorizes federal income taxes paid to be allowed as a deductible item in computing state income taxes for the same period.

Proposed constitutional amendment changes present constitution to provide that federal income taxes paid *shall* be allowed as a deduction in computing state individual income tax. Further *authorizes* the deductibility of such taxes in computing state corporate tax.

Provides for submission of the proposed amendment to the voters at a special statewide election to be held Oct. 19, 2013, as provided by law.

Effective Jan. 1, 2014.

(Amends Const. Art. VII, §4(A))