
DIGEST

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HB 616 Original

2015 Regular Session

Stokes

Abstract: Eliminates the deductibility of federal income taxes paid when computing state individual and corporate income taxes and establishes a ceiling on state income tax rates.

Present constitution authorizes equal and uniform taxes to be levied on net income. 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 are prohibited from exceeding the rates and brackets as they existed on Jan. 1, 2003.

Present constitution provides that state individual and joint income tax rates and brackets shall never exceed those set forth in Title 47 of the Louisiana Revised Statutes on Jan. 1, 2003.

Proposed constitutional amendment changes present constitution by providing that the rates and brackets shall never exceed those set on July 1, 2015.

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 by eliminating the deductibility of federal income taxes paid when computing both individual and corporate income tax liability.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 24, 2015.

Applicable to all tax years beginning on and after January 1, 2015.

(Amends Const. Art. VII, §4(A))