

2019 Regular Session

HOUSE BILL NO. 260

BY REPRESENTATIVE STOKES

TAX/INCOME TAX: (Constitutional Amendment) Eliminates the income tax deduction for federal income taxes paid for purposes of calculating individual and corporate income taxes and requires the levy of a flat individual income tax rate

1 A JOINT RESOLUTION  
2 Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to  
3 income tax; to provide with respect to the rates and brackets for purposes of  
4 calculating individual income taxes; to establish a flat rate for purposes of  
5 calculating individual income taxes; to provide with respect to the deductibility of  
6 federal income taxes paid for purposes of computing state income taxes; to provide  
7 for applicability; to provide for effectiveness; to provide for submission of the  
8 proposed amendment to the electors; and to provide for related matters.

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

13 §4. Income Tax; Severance Tax; Political Subdivisions  
14 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net  
15 incomes, ~~and these taxes may be graduated according to the amount of net income.~~  
16 However, the state individual and joint income tax schedule of rates and brackets  
17 shall ~~never exceed the rates and brackets set forth in Title 47 of the Louisiana~~  
18 ~~Revised Statutes on January 1, 2003. Federal income taxes paid shall be allowed as~~

1 a deductible item in computing state income taxes for the same period be levied at  
2 a flat rate which shall be established in law.

3 \* \* \*

4 Section 2. Be it further resolved that the provisions of the amendment contained in  
5 this Joint Resolution shall become effective January 1, 2020, and shall be applicable to all  
6 tax years beginning on and after January 1, 2020.

7 Section 3. Be it further resolved that this proposed amendment shall be submitted  
8 to the electors of the state of Louisiana at the statewide election to be held on October 12,  
9 2019.

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

14 Do you support an amendment to establish a flat individual income tax rate  
15 which shall be established in law and eliminate the deduction for federal  
16 income taxes paid for taxpayers who file state income tax returns? (Effective  
17 January 1, 2020) (Amends Article VII, Section 4(A))

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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)]

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HB 260 Reengrossed

2019 Regular Session

Stokes

**Abstract:** Eliminates the deduction for federal income taxes paid when computing state individual, corporate, and estate and trust income taxes and provides for the levy of a flat individual income tax rate which shall be established in law.

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 the taxpayer's net income; 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 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 individual, corporate, and estate and trust income tax liability. Further eliminates references to the maximum amount of the

individual income tax rates and brackets from the constitution in favor of the levy of a flat individual income tax rate which shall be established in law.

Effective Jan. 1, 2020, and applicable to all tax years beginning on and after Jan. 1, 2020.

Provides for submission of the proposed amendment to the voters at the statewide election to be held October 12, 2019.

(Amends Const. Art. VII, §4(A))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Civil Law and Procedure to the engrossed bill:

1. Change the ballot language.