

2015 Regular Session

HOUSE BILL NO. 312

BY REPRESENTATIVE JAY MORRIS

TAX/INCOME TAX: Reduces certain individual income tax rates and reduces certain income tax deductions and credits

1 AN ACT

2 To amend and reenact R.S. 47:32(A), 293(3), and 297.8(A), relative to individual income
3 tax; to reduce certain individual income tax rates; to provide for income tax
4 deductions and credits; to provide with respect to the deduction for excess federal
5 itemized personal deductions; to provide for the amount of the deduction; to provide
6 with respect to the earned income tax credit; to provide for certain limitations; to
7 provide for effectiveness; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:32(A), 293(3), and 297.8(A) are hereby amended and reenacted
10 to read as follows:

11 §32. Rates of tax

12 A. On individuals. The tax to be assessed, levied, collected and paid upon
13 the taxable income of an individual shall be computed at the following rates:

14 (1) Two percent on that portion of the first twelve thousand five hundred
15 dollars of net income which is in excess of the credits against net income provided
16 for in R.S. 47:79;

17 (2) ~~Four~~ Three percent on the next thirty-seven thousand five hundred dollars
18 of net income;

19 (3) ~~Six~~ Four percent on any amount of net income in excess of fifty thousand
20 dollars of net income.

21 * * *

1 §293. Definitions

2 The following definitions shall apply throughout this Part, unless the context
3 requires otherwise:

4 * * *

5 (3) For all tax years beginning on and after January 1, 2015, "Excess excess
6 federal itemized personal deductions" for the purposes of this Part, means ~~the~~
7 ~~following eighty~~ percentages of the amount by which the federal itemized personal
8 deductions exceed the amount of federal standard deductions which is designated for
9 the filing status used for the taxable period on the individual income tax return
10 required to be filed.

11 ~~(a) For tax years beginning during calendar year 2007, fifty-seven and one~~
12 ~~half percent of such excess federal itemized personal deductions.~~

13 ~~(b) For tax years beginning during calendar year 2008, sixty-five percent of~~
14 ~~such excess federal itemized personal deductions.~~

15 ~~(c) For all tax years beginning on and after January 1, 2009, one hundred~~
16 ~~percent of such excess federal itemized personal deductions.~~

17 * * *

18 §297.8. Earned income tax credit

19 A. There shall be a credit against the tax imposed by this Chapter for
20 individuals in an amount equal to ~~three and one-half~~ two and eight-tenths of one
21 percent of the federal earned income tax credit for which the individual is eligible
22 for the taxable year under Section 32 of the Internal Revenue Code.

23 * * *

24 Section 2. The provisions of this Act shall be applicable for all tax years beginning
25 on and after January 1, 2015.

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)]

HB 312 Original

2015 Regular Session

Jay Morris

Abstract: Reduces the middle and upper individual income tax rates from 4% and 6% to 3% and 4% respectively and reduces certain income tax deductions and credits.

Present law provides for a tax to be assessed, levied, collected and paid upon the taxable income of an individual at the following rates:

- (1) 2% on the first \$12,500 of net income;
- (2) 4% on the next \$37,500 of net income;
- (3) 6% on net income in excess of \$50,000.

Proposed law reduces the middle income tax bracket from 4% to 3% and reduces the upper bracket from 6% to 4%.

Present law authorizes a deduction from individual income taxes for excess federal itemized personal deductions. "Excess federal itemized personal deductions" is defined to mean 100% of the amount by which the federal itemized personal deductions exceed the amount of federal standard deduction designated for the filing status used for the taxable period on the individual income tax return.

Proposed law reduces the amount of the deduction from 100% to 80% in tax years beginning on and after Jan. 1, 2015.

Present law provides for an individual income tax credit in an amount equal to 3.5% of the amount of the taxpayer's federal earned income tax credit authorized under Section 32 of the Internal Revenue Code.

Proposed law reduces the amount of the state tax credit from 3.5% to 2.8% of the federal tax credit.

Effective Jan. 1, 2015, and shall be applicable for all tax years beginning on and after that date.

(Amends R.S. 47:32(A), 293(3), and 297.8(A))