

Regular Session, 2013

HOUSE BILL NO. 586

BY REPRESENTATIVE TALBOT

TAX/INCOME TAX: Changes the rates and brackets of the state tax levied on the net income of individuals to a flat tax

1 AN ACT

2 To amend and reenact R.S. 47:32(A) and to repeal R.S. 47:32(B), relative to income tax; to
3 provide relative to the rates and brackets of the tax levied on the net income of
4 individuals; to repeal provisions relative to joint returns of individuals; to provide for
5 effectiveness; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:32(A) is hereby amended and reenacted to read as follows:

8 §32. Rates of tax

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

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

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

16 ~~(3) Six percent on any amount of net income in excess of fifty thousand~~
17 ~~dollars of net income~~ one and nine-tenths of one percent on net income in excess of
18 twelve thousand five hundred dollars.

19 * * *

20 Section 2. R.S. 47:32(B) is hereby repealed in its entirety.

1 Section 3. The provisions of this Act shall be effective on January 1, 2014, and shall
2 be applicable to all tax years beginning on and after January 1, 2014.

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)]

Talbot

HB No. 586

Abstract: Changes the tax levied on the net income of individuals from a graduated system of rates and brackets to a flat tax of 1.9% of the net income of individuals in excess of \$12,500.

Present law provides for a tax to be assessed, levied, collected and paid upon the taxable income of an individual to be computed as follows:

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

Proposed law changes present law by deleting the income tax rates and brackets of present law and implementing a flat tax of 1.9% on net income of an individual in excess of \$12,500.

Present law provides that in the case of joint returns, the combined tax of present law shall be doubled.

Proposed law repeals present law.

Effective Jan. 1, 2014, and shall be applicable to all tax years beginning on and after Jan. 1, 2014.

(Amends R.S. 47:32(A); Repeals R.S. 47:32(B))