

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

2 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
3 incomes, and these taxes may be graduated according to the amount of net income.
4 However, the maximum state individual and joint income tax ~~schedule of rates and~~
5 ~~brackets~~ rate shall ~~never exceed the rates and brackets set forth in Title 47 of the~~
6 ~~Louisiana Revised Statutes on January 1, 2003~~ not exceed four and three-quarters
7 percent. Federal income taxes paid shall not be allowed as a deductible item in
8 computing state individual income taxes for the same period.

9 * * *

10 Section 2. Be it further resolved that the provisions of the amendment contained in
11 this Joint Resolution shall become effective January 1, 2017, and shall be applicable to all
12 tax years beginning on and after January 1, 2017.

13 Section 3. Be it further resolved that this proposed amendment shall be submitted
14 to the electors of the state of Louisiana at the statewide election to be held on November 8,
15 2016. However, if either House Bill No. 17 or House Bill No. 33 of the 2016 Second
16 Extraordinary Session of the Legislature is not enacted, the provisions of this Joint
17 Resolution are hereby repealed in their entirety, the amendment to the constitution proposed
18 in this Act is hereby withdrawn, and the secretary of state shall not print the proposition
19 contained herein on the ballot of the statewide election to be held on November 8, 2016.

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

24 Do you support an amendment to enact a Louisiana flat tax, eliminate the
25 deductibility of federal individual income taxes paid, and delete references
26 to the maximum amounts of individual income tax rates and brackets from
27 the constitution in favor of establishing a maximum flat individual income
28 tax rate of four and three-quarters percent? (Effective January 1, 2017)
29 (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)]

HB 7 Engrossed

2016 Second Extraordinary Session

Stokes

Abstract: Eliminates the deduction for federal income taxes paid when computing state individual income taxes and limits the maximum individual income tax rate to 4.75%.

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 income tax liability and eliminates references to the maximum amount of the individual income tax rates and brackets from the constitution in favor of limiting the maximum individual income tax rate to 4.75%.

Effective Jan. 1, 2017, and applicable to all tax years beginning on and after the effective date if House Bill Nos. 17 and 33 of the 2016 Second Extraordinary Session are enacted into law.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2016.

(Amends Const. Art. VII, §4(A))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Add contingent effectiveness for proposed law based upon enactment of House Bill Nos. 17 and 33 of the 2016 Second Extraordinary Session.