



1 boundaries are coterminous with those of the state shall not apply to  
2 sales or purchases of the following items:

3 (1) Food for home consumption, as defined in  
4 R.S. 47:305(D)(1)(n) through (r) on July 1, 2000.

5 (2) Natural gas, electricity, and water sold directly to the  
6 consumer for residential use.

7 (3) Prescription drugs.

8 (B) As used in this Section, the term "sold directly to the  
9 consumer for residential use" includes the furnishing of natural gas,  
10 electricity, or water to single private residences, including the separate  
11 private units of apartment houses and other multiple dwellings, actually  
12 used for residential purposes, which residences are separately metered  
13 or measured, regardless of the fact that a person other than the resident  
14 is contractually bound to the supplier for the charges, actually pays the  
15 charges, or is billed for the charges. The use of electricity, natural gas,  
16 or water in hotel or motel units does not constitute residential use.

17 \* \* \*

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

19 Section 4.(A) Income Tax. Equal and uniform taxes may be  
20 levied on net incomes, and these taxes may be graduated according to  
21 the amount of net income. However, the state individual and joint  
22 income tax schedule of rates and brackets shall never exceed the rates  
23 and brackets set forth in Title 47, ~~Section 32~~ of the Louisiana Revised  
24 Statutes on January 1, ~~1974~~ 2003. Federal income taxes paid shall be  
25 allowed as a deductible item in computing state income taxes for the  
26 same period.

27 \* \* \*

1           Section 2. Be it further resolved that this proposed amendment shall be  
2 submitted to the electors of the state of Louisiana at the statewide election to  
3 be held on November 5, 2002.

4           Section 3. Be it further resolved that this proposed amendment shall  
5 become effective on January 1, 2003.

6           Section 4. Be it further resolved that on the official ballot to be used  
7 at said election there shall be printed a proposition, upon which the electors  
8 of the state shall be permitted to vote FOR or AGAINST, to amend the  
9 Constitution of Louisiana, which proposition shall read as follows:

10                   To retain the current limitation on individual income tax rates;  
11                   to eliminate the current limitation on individual income tax  
12                   brackets; to provide that the state individual and joint income  
13                   tax schedule of rates and brackets shall never exceed the rates  
14                   and brackets set forth in Title 47 of the Louisiana Revised  
15                   Statutes on January 1, 2003, and to prohibit on July 1, 2003 the  
16                   imposition of state sales and use tax on food for home  
17                   consumption, consumer purchases of natural gas, electricity,  
18                   water, and prescription drugs. (Amends Article VII, Section  
19                   4(A); Adds Article VII, Section 2.2)

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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Stelly

HB No. 31

**Abstract:** Provides for a new limitation on individual income tax brackets effective Jan. 1, 2003, and prohibits the imposition of state sales and use taxes on certain items effective July 1, 2003. Individual income tax rates remain as in present law.

Present constitution provides that the state individual and joint income tax schedule of rates shall never exceed the rates in effect on Jan. 1, 1974.

Proposed constitutional amendment deletes this limitation and provides that state individual and joint income tax schedule of rates and brackets shall never exceed the rates and brackets in effect on Jan. 1, 2003.

Proposed constitutional amendment provides that effective July 1, 2003, food for home consumption and consumer purchases of natural gas, electricity, water, and prescription drugs shall be exempt from the state sales and use tax.

Provides for submission of the proposed amendment to the voters at the statewide election to be held on Nov. 5, 2002.

Effective January 1, 2003.

(Amends Const. Art. VII, §4(A); Adds Const. Art. VII, §2.2)