

Regular Session, 2002

HOUSE BILL NO. 31

BY REPRESENTATIVES STELLY, FAUCHEUX, AND MURRAY

A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(A) and to add Article VII, Section 2.2 of the Constitution of Louisiana, relative to the limitations on the power of taxation; to provide for the limitation of the rates and brackets for the individual income tax; to prohibit the imposition of state sales and use tax on certain items; to provide for the submission of the proposed amendment to the electors; to provide for an effective date; and to provide for related matters.

Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members elected to each house concurring, that there shall be submitted to the electors of the state of Louisiana, for their approval or rejection in the manner provided by law, a proposal to amend Article VII, Section 4(A) and to add Article VII, Section 2.2 of the Constitution of Louisiana to read as follows:

§2.2. Power to Tax; Sales and Use Tax; Limitation

Section 2.2.(A) Effective January 1, 2003, the sales and use tax rate imposed by the state of Louisiana or by a political subdivision whose boundaries are coterminous with those of the state shall not exceed two percent of the price of the following items:

(1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through (r) on January 1, 2003.

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

(3) Prescription drugs.

(B) Effective July 1, 2003, the sales and use tax imposed by the state of Louisiana or by a political subdivision whose boundaries are coterminous with those of the state shall not apply to sales or purchases of the following items:

(1) Food for home consumption, as defined in R.S. 47:305(D)(1)(n) through (r) on January 1, 2003.

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

(3) Prescription drugs.

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

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§4. Income Tax; Severance Tax; Political Subdivisions

Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net incomes, and these taxes may be graduated according to

the amount of net income. However, the state individual and joint income tax schedule of rates and brackets shall never exceed the rates and brackets set forth in Title 47, ~~Section 32~~ of the Louisiana Revised Statutes on January 1, ~~1974~~ 2003. Federal income taxes paid shall be allowed as a deductible item in computing state income taxes for the same period.

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

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

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

To retain the current limitation on individual income tax rates; to eliminate the current limitation on individual income tax brackets; to provide that the state individual and joint income tax schedule of rates and brackets shall never exceed the rates and brackets set forth in Title 47 of the Louisiana Revised Statutes on January 1, 2003, to provide that the state sales and use tax rate on food for home consumption, consumer purchases of natural gas, electricity, water, and prescription drugs shall be two percent for the period January 1, 2003 through June 30, 2003, and to prohibit on July 1, 2003 the imposition of state sales and use tax on food for home consumption, consumer

purchases of natural gas, electricity, water, and prescription drugs. (Amends Article VII, Section 4(A); Adds Article VII, Section 2.2)

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE