

2016 First Extraordinary Session

HOUSE BILL NO. 41

BY REPRESENTATIVE STOKES

TAX/INCOME TAX: (Constitutional Amendment) Eliminates the income tax deduction for federal income taxes paid for purposes of computing individual and corporate income taxes (Items #2 and 17)

1 A JOINT RESOLUTION

2 Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to
3 income taxation; to provide with respect to the deductibility of federal income taxes
4 paid for purposes of computing state income taxes; to provide for applicability; to
5 provide for submission of the proposed amendment to the electors; and to provide
6 for related matters.

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

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

12 Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net
13 incomes, and these taxes may be graduated according to the amount of net income.
14 However, the state individual and joint income tax schedule of rates and brackets
15 shall never exceed the rates and brackets set forth in Title 47 of the Louisiana
16 Revised Statutes on January 1, 2003. ~~Federal income taxes paid shall be allowed as
17 a deductible item in computing state income taxes for the same period.~~

18 * * *

1 Section 2. Be it further resolved that the provisions of the amendment contained in
2 this Joint Resolution shall be applicable to all tax years beginning on and after January 1,
3 2017.

4 Section 3. Be it further resolved that this proposed amendment shall be submitted
5 to the electors of the state of Louisiana at the statewide election to be held on November 8,
6 2016.

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

11 Do you support an amendment to eliminate the deductibility of federal
12 income taxes paid in computing state income taxes? (Amends Article VII,
13 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 41 Original

2016 First Extraordinary Session

Stokes

Abstract: Eliminates the deductibility of federal income taxes paid when computing state individual and corporate income taxes.

Present constitution authorizes equal and uniform taxes to be levied on net individual and corporate 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 both individual and corporate income tax liability.

Applicable to all tax years beginning on and after Jan. 1, 2017.

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))