2016 First Extraordinary Session

HOUSE BILL NO. 83

BY REPRESENTATIVE STOKES

TAX/TAXATION: (Constitutional Amendment) Provide with respect to limitations on the power to tax (Item #3 and 36)

1   A JOINT RESOLUTION

2   Proposing to amend Article VII, Section 4(A) and to repeal Article VII, Section 2.2 of the

3   Constitution of Louisiana, relative to limitations on the power of taxation; to provide

4   relative to the individual income and sales and use taxes; to provide with respect to

5   exemptions and other limitations; to provide for effectiveness; to provide for

6   submission of the proposed amendment to the electors; and to provide for related

7   matters.

8   Be it enacted by the Legislature of Louisiana:

9   Section 1. Be it resolved by the Legislature of Louisiana, two-thirds of the members

10   elected to each house concurring, that there shall be submitted to the electors of the state of

11   Louisiana, for their approval or rejection in the manner provided by law, a proposal to

12   amend Article VII, Section 4(A) of the Constitution of Louisiana, to read as follows:

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

14   Section 4.(A) Income Tax. Equal and uniform taxes may be levied on net

15   incomes, and these taxes may be graduated according to the amount of net income.

16   However, the state individual and joint income tax schedule of rates and brackets

17   shall never exceed the rates and brackets set forth in Title 47 of the Louisiana

18   Revised Statutes on January 1, 2003. Federal income taxes paid shall be allowed as

19   a deductible item in computing state income taxes for the same period.

20   *   *   *

21   Section 2. Be it resolved by the Legislature of Louisiana, two-thirds of the members

22   elected to each house concurring, that there shall be submitted to the electors of the state of

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1   Louisiana, for their approval or rejection in the manner provided by law, a proposal to repeal

2   Article VII, Section 2.2 of the Constitution of Louisiana.

3   Section 3. Be it further resolved that only if the instrument which originated as

4   House Bill No. ___ of this 2016 First Extraordinary Session of the Legislature is enacted and

5   becomes effective, then this proposed amendment shall be submitted to the electors of the

6   state of Louisiana at the statewide election to be held on November 8, 2016. The secretary

7   of state shall not put forth this proposition on the ballot to be submitted to the electors of this

8   state unless House Bill No. ___ of this 2016 First Extraordinary Session of the Legislature

9   is enacted and becomes effective.

10   Section 4. Be it further resolved, that if the proposed amendment contained in this

11   Joint Resolution is ratified by the electors of the state, the provisions of the amendment shall

12   become effective on January 1, 2017.

13   Section 5. Be it further resolved that on the official ballot to be used at the election,

14   there shall be printed a proposition, upon which the electors of the state shall be permitted

15   to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as

16   follows:

17   Do you support an amendment to remove the specific reference to individual

18   income tax rates and brackets, and to repeal the state sales and use tax

19   exemptions for food for home consumption, residential utilities, and

20   prescription drugs? (Effective January 1, 2017) (Amends Article VII, Section

21   4(A); Repeals Article VII, Section 2.2)

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 83 Original   2016 First Extraordinary Session   Stokes

Abstract: Eliminates references to specific rates and brackets for individual income tax, and repeals the state sales and use tax exemptions for food for home consumption, residential utilities, and prescription drugs, contingent upon passage of HB No. ____ which provides for decreases in individual income tax and sales and use tax.

Present law imposes a state sales and use tax on tangible personal property.

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.

Proposed constitutional amendment changes present constitution by eliminating references to specific limitations on individual income tax rates and brackets.

Present constitution exempts from the state sales and use tax food for home consumption, natural gas, electricity, and water sold directly to the consumer for residential use, and prescription drugs.

Proposed constitutional amendment repeals the exemptions.

Proposed constitutional amendment shall be submitted to the electors of the state of La. at the statewide election to be held on Nov. 8, 2016, only if the instrument which originated as House Bill No. ___ of this 2016 1ˢᵗ E.S. of the Legislature is enacted and becomes effective.

Effective January 1, 2017; contingent upon passage of House Bill No. ___ of the 2016 1st E.S.

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

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