

2017 Regular Session

HOUSE BILL NO. 134

BY REPRESENTATIVE HAVARD

TAX/INCOME TAX: Eliminates the graduated system of rates and brackets for purposes of calculating individual income tax liability in favor of establishing a flat tax rate

1 AN ACT

2 To amend and reenact R.S. 47:32(A) and to repeal R.S. 47:32(B), relative to the individual
3 income tax; to provide for the calculation of individual income tax liability; to
4 provide for the rates and brackets for individual income tax; to establish a flat rate
5 for purposes of calculating individual income tax liability; to provide for
6 applicability; to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:32(A) is hereby amended and reenacted to read as follows:

9 §32. Rates of tax

10 A. On individuals. The tax to be assessed, levied, collected and paid upon
11 the taxable income of an individual shall be computed at the ~~following rates:~~

12 ~~(1) Two percent on that portion of the first twelve thousand five hundred~~
13 ~~dollars of net income which is in excess of the credits against net income provided~~
14 ~~for in R.S. 47:79;~~

15 ~~(2) Four percent on the next thirty-seven thousand five hundred dollars of~~
16 ~~net income;~~

17 ~~(3) Six percent on any amount of net income in excess of fifty thousand~~
18 ~~dollars of net income~~ rate of two percent.

19 * * *

20 Section 2. R.S. 47:32(B) is hereby repealed in its entirety.

1 Section 3. The provisions of this Act shall be applicable to all taxable periods
2 beginning on and after January 1, 2018.

3 Section 4. This Act shall take effect and become operative if and when the Act
4 which originated as House Bill No. ____ of this 2017 Regular Session of the Legislature is
5 enacted and becomes effective.

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 134 Original

2017 Regular Session

Havard

Abstract: Eliminates the system of graduated rates and brackets for purposes of calculating individual income tax liability in favor of establishing a flat rate of 2% on the taxable income of individuals.

Present law requires the tax that is assessed, levied, collected and paid on the taxable income of an individual to be computed at the following rates:

- (1) 2% on the first \$12,500 of net income in excess of the credits against net income provided for in present law;
- (2) 4% on the next \$37,500 of net income;
- (3) 6% on any amount of net income in excess of \$50,000 of net income.

Proposed law changes present law by eliminating the graduated system of rates and brackets for purposes of calculating individual income tax in favor of establishing a flat rate of 2% on the taxable income of an individual.

Present law provides for the doubling of the income tax brackets in present law in cases when a husband and wife file a joint return.

Proposed law repeals present law.

Applicable to all taxable periods beginning on and after Jan. 1, 2018.

Effective if and when House Bill No. ____ of this 2017 R.S. is enacted and becomes effective.

(Amends R.S. 47:32(A); Repeals R.S. 47:32(B))