

2026 Regular Session

HOUSE BILL NO. 898

BY REPRESENTATIVE MCMAKIN

TAX/INCOME TAX: Provides for a reduction in the rate of the state tax levied on individuals under certain circumstances

1 AN ACT

2 To enact R.S 47:32.1, relative to individual income tax; to provide for the reduction of the
3 individual income tax rate under certain circumstances; to provide for requirements
4 and limitations; to require the publication of certain information; to provide for an
5 effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:32.1 is hereby enacted to read as follows:

8 §32.1. Individual income tax rate reduction; requirements and limitations

9 A. Beginning January 1, 2027, the individual income tax rate provided for
10 in R.S. 47:32 for the tax year beginning the following January first shall be reduced
11 in accordance with the provisions of Subsection B of this Section if an amount of
12 state general fund (direct) carried forward at the close of the previous fiscal year is
13 certified by the commissioner of administration to the Joint Legislative Committee
14 on the Budget pursuant to the provisions of R.S. 39:75(A)(3)(a) and that amount is
15 recognized by the Revenue Estimating Conference as nonrecurring revenues.

16 B. The individual income tax rate reduction shall be calculated by the
17 secretary of the Department of Revenue. The secretary shall reduce the individual
18 income tax rate by a percentage that generates an estimated reduction in state
19 individual income tax collections equal to fifty percent of the amount certified by the
20 commissioner of administration and recognized by the Revenue Estimating

Effective Jan. 1, 2027.

(Adds R.S. 47:32.1)