2017 Regular Session

HOUSE BILL NO. 350

BY REPRESENTATIVE LEGER

TAX/INCOME TAX: (Constitutional Amendment) Provides relative to the rates and brackets for purposes of calculating individual income tax and repeals the deduction for federal income taxes paid for purposes of calculating individual and corporate income tax

1	A JOINT RESOLUTION
2	Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to
3	income tax; to provide with respect to the rates and brackets for purposes of
4	calculating individual income taxes; to provide with respect to the deductibility of
5	federal income taxes paid for purposes of computing state individual income and
6	corporate income taxes; to provide for applicability; to provide for an effective date;
7	to provide for submission of the proposed amendment to the electors; and to provide
8	for related matters.
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 The state individual and joint income tax schedule of rates and
17	brackets shall never exceed the rates and brackets set forth in Title 47 of the
18	Louisiana Revised Statutes on January 1, 2003. Federal income taxes paid shall be

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CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

1	allowed as a deductible item in computing state income taxes for the same period be
2	provided for in law.
3	* * *
4	Section 2. Be it further resolved that the provisions of the amendment contained in
5	this Joint Resolution shall become effective on January 1, 2018, and shall be applicable for
6	all tax years beginning on and after January 1, 2018.
7	Section 3. Be it further resolved that this proposed amendment shall be submitted
8	to the electors of the state of Louisiana at the statewide election to be held on October 14,
9	2017.
10	Section 4. Be it further resolved that on the official ballot to be used at the election,
11	there shall be printed a proposition, upon which the electors of the state shall be permitted
12	to vote YES or NO, to amend the Constitution of Louisiana, which proposition shall read as
13	follows:
14	Do you support an amendment to establish individual income tax rates and
15	brackets in law in exchange for eliminating the deduction for federal income
16	taxes paid for taxpayers who file either an individual income tax return or a
17	corporate income tax return? (Effective January 1, 2018) (Amends Article
18	VII, 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 350 Original	2017 Regular Session	Leger

Abstract: Provides that the rates and brackets for the individual income tax shall be provided for in law and eliminates the deduction for federal income taxes paid when computing both state individual income and corporate income taxes.

<u>Present constitution</u> 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.

<u>Present constitution</u> authorizes federal income taxes paid to be allowed as a deductible item in computing state income taxes for the same period.

<u>Proposed constitutional amendment</u> changes <u>present constitution</u> by eliminating the deductibility of federal income taxes paid when computing both individual income and corporate tax liability and eliminates references to the maximum amount of the individual income tax rates and brackets from the constitution in favor of providing for the rates and brackets in law.

Effective Jan. 1, 2018, and applicable to all tax years beginning on and after that date.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Oct. 14, 2017.

(Amends Const Art. VII, §4(A))