

2021 Regular Session

HOUSE BILL NO. 274

BY REPRESENTATIVE BISHOP AND SENATOR ALLAIN

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

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A JOINT RESOLUTION

Proposing to amend Article VII, Section 4(A) of the Constitution of Louisiana, relative to income taxation; to provide with respect to the rates and brackets for purposes of calculating income taxes; to provide with respect to the deductibility of federal income taxes paid for purposes of computing income taxes; to provide for applicability; to provide for an effective date; to provide for submission of the proposed amendment to the electors; and to provide for related matters.

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

§4. Income Tax; Severance Tax; Political Subdivisions

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

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1 Section 2. Be it further resolved that this proposed amendment shall become  
2 effective on January 1, 2023, and shall be applicable for tax years beginning on or after  
3 January 1, 2023.

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 2022.

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 references to the maximum  
12 individual income tax rates and brackets and instead specify that income tax  
13 rates and brackets shall be established in law and to limit the mandatory  
14 deductibility of federal income taxes to corporate income taxes? (Effective  
15 January 1, 2023) (Amends Article VII, Section 4(A))

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#### 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)]

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HB 274 Original

2021 Regular Session

Bishop

**Abstract:** Requires state income tax rates and brackets to be provided for in law and eliminates the deductibility of federal income taxes paid when computing state individual and estate and trust 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 schedules of rates and brackets are prohibited from exceeding the rates and brackets as they existed on Jan. 1, 2003.

Present constitution requires 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 references to the maximum amount of the individual income tax rates and brackets and instead specifying that the rates and brackets of all income taxes shall be provided for in law. Additionally limits the mandatory deductibility of federal income taxes to corporate income tax.

Effective Jan. 1, 2023, and applicable to all tax years beginning on or after Jan. 1, 2023.

Provides for submission of the proposed amendment to the voters at the statewide election to be held Nov. 8, 2022.

(Amends Const. Art. VII, §4(A))