
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law provides tax rates on individual and corporate income as follows:

Individual rates

2% of the first \$12,500 of net income which is in excess of the credits against net income provided for in present law.

4% on the next \$37,500 of net income.

6% on any amount of net income in excess of \$50,000 of net income.

Estates and trusts rates

2% on the \$10,000 of Louisiana taxable income.

4% on the next \$40,000.

6% on Louisiana taxable income in excess of \$50,000.

Corporate rates

4% on the first \$25,000 of net income.

5% on the amount of net income above \$25,000 but not in excess of \$50,000.

6% on the amount of net income above \$50,000 but not in excess of \$100,000.

7% on the amount of net income above \$100,000 but not in excess of \$200,000.

8% on all net income in excess of \$200,000.

Proposed law phases out the individual and corporate income tax over 10 calendar years by reducing the above rates 10% per calendar year, beginning with calendar year 2014 and ending in calendar year 2023, when no individual or corporate income tax would be due. For instance, for tax years beginning in 2014, tax would be assessed at 90% of the rates above; for tax years beginning in 2015, 80%; 2016, 70%, etc.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 47:32(D))