
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Jerry J. Guillot.

DIGEST

Proposed law exempts capital gains income for individuals 65 years of age or older from state income tax. Proposed law provides that the exemption of the capital gains income shall be phased-in over a five year period as follows:

- (1) For tax years beginning in 2013, 20% of the capital gains income.
- (2) For tax years beginning in 2014, 40% of the capital gains income.
- (3) For tax years beginning in 2015, 60% of the capital gains income.
- (4) For tax years beginning in 2016, 80% of the capital gains income.
- (5) For tax years beginning on January 1, 2017, and after, 100% of the capital gains income.

Proposed law further provides that capital gains income consists of net long-term capital gains as defined in the Federal Internal Revenue Code and properly reported on Schedule D of Form 1040, line 15, filed by the individual for the same tax year.

Proposed law exempts investment income for individuals 65 years of age or older from state income tax. Proposed law provides that the exemption of the investment income shall be phased-in over a five year period as follows:

- (1) For tax years beginning in 2013, 20% of the investment income.
- (2) For tax years beginning in 2014, 40% of the investment income.
- (3) For tax years beginning in 2015, 60% of the investment income.
- (4) For tax years beginning in 2016, 80% of the investment income.
- (5) For tax years beginning on January 1, 2017, and after, 100% of the investment income.

Proposed law defines "investment income" to include dividend and interest income.

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

(Adds R.S. 47:297.13 and 297.14)