

Regular Session, 2013

HOUSE BILL NO. 505

BY REPRESENTATIVE SEABAUGH

TAX/INCOME TAX: Provides for a 10-year phase out of the state tax levied on the net income of individuals beginning Jan. 1, 2016

1 AN ACT

2 To enact R.S. 47:32(D), relative to income tax; to phase out the state tax levied on the net  
3 income of individuals; to provide for an effective date; and to provide for related  
4 matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:32(D) is hereby enacted to read as follows:

7 §32. Rates of tax

8 \* \* \*

9 D.(1) Notwithstanding the provisions of Subsection A of this Section, the  
10 rates applicable to each class of taxpayer as set forth in Subsection A of this Section  
11 shall be as follows:

12 (a) For tax years beginning during 2016, ninety percent of the rates provided  
13 for in Subsection A of this Section.

14 (b) For tax years beginning during 2017, eighty percent of the rates provided  
15 for in Subsection A of this Section.

16 (c) For tax years beginning during 2018, seventy percent of the rates provided  
17 for in Subsection A of this Section.

18 (d) For tax years beginning during 2019, sixty percent of the rates provided  
19 for in Subsection A of this Section.

1           (e) For tax years beginning during 2020, fifty percent of the rates provided  
2           for in Subsection A of this Section.

3           (f) For tax years beginning during 2021, forty percent of the rates provided  
4           for in Subsection A of this Section.

5           (g) For tax years beginning during 2022, thirty percent of the rates provided  
6           for in Subsection A of this Section.

7           (h) For tax years beginning during 2023, twenty percent of the rates provided  
8           for in Subsection A of this Section.

9           (i) For tax years beginning during 2024, ten percent of the rates provided for  
10          in Subsection A of this Section.

11          (2) No tax shall be assessed, levied, collected, or paid upon the income of an  
12          individual for any tax year commencing on or after January 1, 2025.

13          Section 2. This Act shall become effective on July 1, 2013, and shall be applicable  
14          to all taxable years beginning on and after January 1, 2016.

---

#### 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)]

---

Seabaugh

HB No. 505

**Abstract:** Provides for a 10-year phase out of state tax on the net income of individuals commencing in tax years beginning in 2016.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual to be computed as follows:

- (1) 2% on that portion of the first \$12,500 of net income.
- (2) 4% on the next \$37,500 of net income.
- (3) 6% on any amount of net income in excess of \$50,000.

Present law provides that in the case of joint returns, the combined tax of present law is doubled.

Proposed law changes present law by requiring a phase out of the state tax on the net income of individuals as follows:

- (1) For tax years beginning during 2016, 90% of the rates provided for in present law.
- (2) For tax years beginning during 2017, 80% of the rates provided for in present law.

- (3) For tax years beginning during 2018, 70% of the rates provided for in present law.
- (4) For tax years beginning during 2019, 60% of the rates provided for in present law.
- (5) For tax years beginning during 2020, 50% of the rates provided for in present law.
- (6) For tax years beginning during 2021, 40% of the rates provided for in present law.
- (7) For tax years beginning during 2022, 30% of the rates provided for in present law.
- (8) For tax years beginning during 2023, 20% of the rates provided for in present law.
- (9) For tax years beginning during 2024, 10% of the rates provided for in present law.
- (10) No tax shall be assessed, levied, collected, or paid upon the income of an individual for any tax year commencing on or after Jan. 1, 2025.

Effective July 1, 2013, and applicable to all taxable years beginning on and after Jan. 1, 2016.

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