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DIGEST

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Henry

HB No. 41

**Abstract:** Revises certain individual income tax brackets that were changed as a result of the "Stelly Plan" to place them back to pre-Stelly Plan levels.

Present law levies an income tax on individuals at the following rates for the following brackets:

<u>Rates</u>	<u>2% of</u> <u>net income</u>	<u>4% of</u> <u>net income</u>	<u>6% of</u> <u>net income</u>
Single	Up to \$12,500	\$12,500 to \$25,000	over \$25,000
Joint	Up to \$25,000	\$25,000 to \$50,000	over \$50,000

Proposed law changes the income tax rate and bracket structure in the following manner:

<u>Rates</u>	<u>2% of</u> <u>net income</u>	<u>4% of</u> <u>net income</u>	<u>6% of</u> <u>net income</u>
Single	Up to \$12,500	\$12,500 to \$50,000	over \$50,000
Joint	Up to \$25,000	\$25,000 to \$100,000	over \$100,000

Effective for all taxable periods beginning on or after January 1, 2008.

(Amends R.S. 47:32(A)(2) and (3))