R-6200 (1/09)

LOUISIANA DEPARTMENT of REVENUE

Louisiana Individual Income Tax Computation on Resident Returns

(effective January 1, 2009)

The basic idea for computing Louisiana individual income tax on resident returns is to find the 250-dollar span in which the tax table income lies, determine the midpoint of that span, and then separate the midpoint income into parts subject to 2%, 4%, and 6% tax. To compute the tax, you will need the Louisiana tax table income, filing status, and total number of exemptions claimed.

STEP 1:

Obtain the midpoint income as follows:

1. Find the largest number that is both evenly divisible by 250 and not larger than the tax table income amount.
2. Add 125 to that number.

Hint: All midpoints have as their last three digits either 125, 375, 625, or 875.

STEP 2:

Obtain the exemption income by adding the standard personal exemption and the dependent exemption. Use the following table to determine the standard personal and dependent exemptions:

Filing Status	Standard Personal Exemption	Dependent Exemption
1 = Single	$4,500	(Total Exemptions – 1) x $1,000
2 = Married Filing Jointly	$9,000	(Total Exemptions – 2) x $1,000
3 = Married Filing Separately	$4,500	(Total Exemptions – 1) x $1,000
4 = Head of Household	$9,000	(Total Exemptions – 1) x $1,000
5 = Qualifying Widow(er)	$9,000	(Total Exemptions – 2) x $1,000

STEP 3:

Filing Status	Tax Rate on Midpoint Income		
	2%	4%	6%
1 = Single	First $12,500	Next $37,500	Over $50,000
2 = Married Filing Jointly	First $25,000	Next $75,000	Over $100,000
3 = Married Filing Separately	First $12,500	Next $37,500	Over $50,000
4 = Head of Household	First $12,500	Next $37,500	Over $50,000
5 = Qualifying Widow(er)	First $25,000	Next $75,000	Over $100,000

Using the information in the table above, calculate the tax as follows:

1. Separate the midpoint income into parts subject to 2%, 4%, and 6% tax.
2. Subtract the exemption income from the lowest bracket (2%) first, then the next bracket (4%), and so on.
3. Multiply the difference by the appropriate tax rate.
4. Add products.
5. Round the sum to the nearest dollar.

EXCEPTIONS:

Exception 1: If a taxpayer claims more than 8 exemptions (which is the cutoff point on the printed tax tables), subtract $1,000 for every exemption over 8 from the tax table income, and calculate the tax using 8 exemptions and the adjusted tax table income.

Exception 2: If the tax table income is above $51,000 for filing status 1, 3, or 4 and $101,000 for status 2 or 5 (which are the cutoff points on the printed tax tables), the tax is calculated in a special way:

Step 1: The midpoint income is obtained by subtracting $125 from the cutoff point—$51,000 for filing status 1, 3, or 4 and $101,000 for status 2 or 5.

Step 2: Obtain the exemption income as described in Step 2 on Page 1.

Step 3: Calculate the tax on the midpoint income as describe in Step 3 on Page 1.

Step 4: Calculate the tax on the tax table income in excess of the cutoff point by taking 6% of it and rounding to the nearest dollar.

Step 5: Add the results of Steps 3 and 4 above to get the final tax. (See Examples 2 and 3 below.)

EXAMPLES:

Example 1: Suppose the tax table income is $35,834, the filing status is single, and the total number of exemptions is 1.

Step 1: The largest number evenly divisible by 250 that is not greater than the $35,834 is $35,750. So, the midpoint is **$35,875** ($35,750 + $125).

Step 2: The exemption income is **$4,500**: $4,500 + [(1 – 1) x $1,000]. This is subtracted from the lowest tax bracket: $12,500 - $4,500 = $8,000.

Step 3: Calculate the tax, which is **$1,095**:

$8,000	X 2%	=	$ 160.00
$23,375	X 4%	=	$ 935.00
			$ 1,095.00

Example 2: Suppose the tax table income is $158,970, the filing status is married filing jointly, and the total number of exemptions is 6. Since the tax table income exceeds the cutoff point ($101,000 for this filing status), Exception 2 applies.

Step 1: The midpoint is the cutoff point minus $125. So, the midpoint is **$100,875** ($101,000 - $125).

Step 2: The exemption income is **$13,000**: $9,000 + [(6 – 2) x $1,000]. This is subtracted from the lowest tax bracket: $25,000 - $13,000 = $12,000.

Step 3: Calculate the tax on the midpoint and round to the nearest dollar.

$12,000	X 2%	=	$ 240.00
$75,000	X 4%	=	$ 3,000.00
$875	X 6%	=	$ 52.50
			$ 3,293.00 (rounded)

Step 4: Calculate the tax on the amount in excess of the cutoff point, which is $57,970 ($158,970 - $101,000).

$57,970	X 6%	=	**$ 3,478.20**

Step 5: Add the results of Steps 3 and 4. The tax is **$6,771** ($3,293.00 + $3,478.20 rounded to the nearest dollar).

Example 3: Suppose the tax table income is $54,295, the filing status is head of household, and the total number of exemptions is 3. Since the tax table income exceeds the cutoff point ($51,000 for this filing status), Exception 2 applies.

Step 1: The midpoint is the cutoff point minus $125. So, the midpoint is **$50,875** ($51,000 - $125).

Step 2: The exemption income is **$11,000**: $9,000 + [(3 – 1) x $1,000]. This is subtracted from the lowest tax bracket: $12,500 - $11,000 = $1,500.

Step 3: Calculate the tax on the midpoint and round to the nearest dollar.

$1,500	X 2%	=	$ 30.00
$37,500	X 4%	=	$ 1,500.00
$875	X 6%	=	$ 52.50
			$ 1,583.00 (rounded)

Step 4: Calculate the tax on the amount in excess of the cutoff point, which is $3,295 ($54,295 - $51,000).

$3,295	X 6%	=	**$ 197.70**

Step 5: Add the results of Steps 3 and 4. The tax is **$1,781** ($1,583.00 + $197.70 rounded to the nearest dollar).