



**Louisiana Individual Income Tax
Computation on Resident Returns**
(effective January 1, 2022)

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 1.85%, 3.50%, and 4.25% 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		
	1.85%	3.50%	4.25%
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 1.85%, 3.50%, and 4.25% tax.
2. Subtract the exemption income from the lowest bracket (1.85%) first, then the next bracket (3.50%), and so on.
3. Multiply the difference by the appropriate tax rate.
4. Add products.
5. Round the sum to the nearest dollar.



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EXCEPTION:

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. (See Example 3 below.)

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 4.25% 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 4 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 \$966 (rounded):

$$\begin{array}{r r r r r} \$8,000 & \times & 1.85\% & = & \$148.00 \\ \$23,375 & \times & 3.50\% & = & \$818.13 \\ & & & & \hline & & & & \mathbf{\$966.13} \end{array}$$

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.

$$\begin{array}{r r r r r} \$12,000 & \times & 1.85\% & = & \$222.00 \\ \$75,000 & \times & 3.50\% & = & \$2,625.00 \\ \$875 & \times & 4.25\% & = & \$37.19 \\ & & & & \hline & & & & \mathbf{\$2,884.19} \end{array} \quad \text{(rounded to \$2,884.00)}$$

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

$$\$57,970 \times 4.25\% = \$2,463.73$$

Step 5: Add the results of Steps 3 and 4. The tax is \$5,348 (\$2,884.00 + \$2,463.73 rounded to the nearest dollar).



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EXAMPLES:

Example 3: Suppose the tax table income is \$75,240, the filing status is married filing jointly, and the total number of exemptions is 10.

Since there is more than 8 exemptions, Exception 1 applies.

The total exemptions is greater than 8, so subtract \$2,000 [(10-8) x \$1,000] from tax table income to get \$73,240 (\$75,240 - \$2,000).

Step 1: The largest number evenly divisible by 250 that is not greater than the \$73,240 is \$73,000. So the midpoint is \$73,125 (\$73,000 + \$125). The first bracket is \$25,000 and the second is \$48,125 (\$73,125-\$25,000)

Step 2: The exemption income is \$15,000: \$9,000 + [(8 - 2) x \$1,000]. When exemptions is over 8, total exemptions is limited to 8. This is subtracted from the lowest tax bracket: \$25,000 - \$15,000 = \$10,000.

Step 3: Calculate the tax, which is \$1,869 (rounded):

\$10,000	X	1.85%	=	\$185.00
\$48,125	X	3.50%	=	\$1,684.38
				\$1,869.38

Example 4: Suppose the tax table income is \$54,295, the filing status is head of household, and the total number of exemptions is 9.

Since the tax table income exceeds the cutoff point (\$51,000 for this filing status) and there is more than 8 exemptions, Exceptions 1 and 2 applies.

The total exemptions is greater than 8 so subtract \$1,000 [(9-8) x \$1,000] from tax table income to get \$53,295 (\$54,295 - \$1,000).

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

Step 2: The exemption income is \$16,000: \$9,000 + [(8 - 1) x \$1,000]. When exemptions is over 8, total exemptions is limited to 8. This is subtracted from the lowest tax bracket (\$12,500) and the next bracket (\$16,000 - \$12,500 = \$3,500):

\$12,500	-	\$12,500	=	\$0
\$37,500	-	\$3,500	=	\$34,000

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

\$0	X	1.85%	=	\$0.00
\$34,000	X	3.50%	=	\$1,190.00
\$875	X	4.25%	=	\$37.19
				\$1,227.19

(rounded to \$1277.00)

Step 4: Calculate the tax on the amount in excess of the cutoff point, which is \$2,295 (\$54,295 - \$51,000- \$1,000).

\$2,295	X	4.25%	=	\$97.54
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Step 5: Add the results of Steps 3 and 4. The tax is \$1,325 (\$1,227.00 + \$97.54) rounded to the nearest dollar.