

2025 Regular Session

HOUSE BILL NO. 331

BY REPRESENTATIVE JORDAN

TAX CREDITS: Establishes an income tax credit for certain amount of annual auto insurance premiums paid by a taxpayer

1 AN ACT

2 To enact R.S. 47:297.26, relative to individual income tax; to establish a tax credit for  
3 certain amounts of qualifying motor vehicle insurance premiums; to provide for  
4 definitions; to provide for the amount of the credit; to provide for a carry-forward  
5 period for unused credit amounts; to provide for requirements and limitations with  
6 respect to the credit; to require promulgation of rules; to provide for applicability;  
7 to provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:297.26 is hereby enacted to read as follows:

10 §297.26. Tax credit; motor vehicle insurance premiums paid

11 A. There shall be allowed an income tax credit for resident individual  
12 taxpayers against the tax imposed by this Chapter for certain amounts of qualifying  
13 motor vehicle insurance premiums paid. For purposes of this Section, "qualifying  
14 motor vehicle insurance premiums paid" shall mean premiums that a taxpayer pays  
15 for motor vehicle insurance on a motor vehicle that he owns.

16 B. The amount of the credit shall equal the lesser of the following:

17 (1) The amount of qualifying motor vehicle insurance premiums paid in  
18 excess of two thousand five hundred dollars per vehicle, for no more than two  
19 vehicles, in a taxable year.

20 (2) Five thousand dollars per vehicle for no more than two vehicles.

1           C. If the tax credit earned pursuant to this Section exceeds the total tax  
2           liability of a taxpayer in the taxable year, the amount of the credit not used as an  
3           offset against the taxpayer's tax liability in the taxable year may be carried forward  
4           as a credit against subsequent income tax liabilities for a period not to exceed five  
5           taxable years. However, in no event shall the amount of the credit applied by a  
6           taxpayer in a taxable period exceed the amount of taxes due from the taxpayer for  
7           that taxable period.

8           D. Any taxpayer claiming the credit authorized in this Section shall maintain  
9           all records necessary to verify his eligibility for the credit and for the amount of  
10           credit claimed and, if requested, shall provide the records to the Department of  
11           Revenue, when filing the taxpayer's tax return.

12           E. The secretary of the Department of Revenue shall promulgate rules in  
13           accordance with the Administrative Procedure Act as are necessary to implement the  
14           provisions of this Section.

15           F. No credits authorized by this Section may be claimed for any taxable year  
16           beginning after December 31, 2031.

17           Section 2. The provisions of this Act shall apply to taxable periods beginning on or  
18 after January 1, 2026.

19           Section 3. This Act shall become effective on January 1, 2026.

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)]

HB 331 Original

2025 Regular Session

Jordan

**Abstract:** Establishes an income tax credit for certain amounts of motor vehicle insurance premiums paid by a taxpayer.

Proposed law authorizes an individual income tax credit for certain amounts of qualifying motor vehicle insurance premiums paid. Proposed law defines "qualifying motor vehicle insurance premiums paid" as premiums a taxpayer pays for motor vehicle insurance on a motor vehicle that he owns.

Proposed law provides that the amount of the credit shall equal the lesser of the following:

- (1) The amount of qualifying motor vehicle insurance premiums paid in excess of \$2,500 per vehicle, for no more than two vehicles, in a taxable year.
- (2) \$5,000 per vehicle for no more than two vehicles.

Proposed law provides that if the credit exceeds the amount of taxes due from a taxpayer for a taxable period, then any unused credit amount may be carried forward by the taxpayer as a credit against subsequent tax liability for a period not to exceed five years. Stipulates, however, that the amount of the credit applied in a taxable period shall not exceed the amount of taxes due from the taxpayer for that period.

Proposed law requires taxpayers claiming the credit to maintain all records necessary to verify their eligibility for the credit and for the amount of credit claimed and, if requested, shall provide the records to Dept. of Revenue, when filing the taxpayer's tax return.

Proposed law prohibits credits from being earned for any taxable year beginning after Dec. 31, 2031.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective January 1, 2026.

(Adds R.S. 47:297.26)