

2025 Regular Session

HOUSE BILL NO. 402

BY REPRESENTATIVES KNOX, NEWELL, AND TAYLOR

TAX/INCOME TAX: Authorizes an income tax deduction for veterans with certain disabilities

1 AN ACT

2 To enact R.S. 47:293(9)(a)(xxvii) and 297.26, relative to income tax; to authorize an income
3 tax deduction for veterans with certain service-connected disabilities; to provide for
4 the amount of the deduction; to provide for certain requirements and limitations; to
5 authorize the promulgation of rules and regulations; to provide for applicability; to
6 provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:293(9)(a)(xxvii) and 297.26 are hereby enacted to read as follows:

9 §293. Definitions

10 The following definitions shall apply throughout this Part, unless the context
11 requires otherwise:

12 * * *

13 (9)(a) "Tax table income", for resident individuals, means adjusted gross
14 income plus interest on obligations of a state or political subdivision thereof, other
15 than Louisiana and its municipalities, title to which obligations vested with the
16 resident individual on or subsequent to January 1, 1980, and less:

17 * * *

18 (xxvii) The deduction for veterans with certain service-connected disabilities
19 as provided for in R.S. 47:297.26.

20 * * *

1 §297.26. Tax deduction; veterans with certain service-connected disabilities

2 A. In addition to the standard deduction authorized pursuant to the
3 provisions of R.S. 47:294, each Louisiana resident who is a veteran and has a
4 service-connected disability rating of fifty percent or more by the United States
5 Department of Veteran Affairs shall be allowed a deduction from tax table income
6 for an amount equal to the amount of standard deduction applicable for single
7 individuals as provided for in R.S. 47:294.

8 B. A taxpayer claiming the deduction authorized pursuant to the provisions
9 of this Section shall maintain all records necessary to verify his eligibility and if
10 requested, shall provide the records to the Department of Revenue when filing the
11 taxpayer's tax return.

12 C. The secretary of the Department of Revenue may promulgate rules in
13 accordance with the Administrative Procedure Act to implement the provisions of
14 this Section, including rules related to the submission of documentation when
15 claiming the deduction.

16 Section 2. This Act shall be known and may be cited as the "Tax Cut For Our
17 Veterans Act".

18 Section 3. The provisions of this Act shall be applicable to all taxable periods
19 beginning on or after January 1, 2026.

20 Section 4. 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 402 Engrossed

2025 Regular Session

Knox

Abstract: Authorizes an individual income tax deduction for veterans who have a service-connected disability rating of 50% or more equal to the amount of the standard deduction for single individual filers (\$12,500).

Present law authorizes a standard deduction for resident taxpayers when determining a taxpayer's tax liability, the amount of which is dependent on the filing status of the taxpayer claiming the deduction. Present law provides that the amount of the standard deduction for single filers is \$12,500; however beginning Jan. 1, 2026, the amount of the standard deduction shall be adjusted annually by the percentage increase in the Consumer Price Index

United States city average for all urban consumers (CPI-U), as reported by the U.S. Dept. of Labor, Bureau of Labor Statistics.

Proposed law retains present law.

Proposed law provides that in addition to the standard deduction, each La. resident who is a veteran and has a service-connected disability rating of 50% or more by the U.S. Dept. of Veteran Affairs shall be allowed an income tax deduction for an amount equal to the amount of standard deduction applicable for single individuals as provided for in present law.

Proposed law requires a taxpayer claiming the deduction to maintain all records necessary to verify his eligibility and if requested, to provide the records to the Dept. of Revenue (DOR) when filing the taxpayer's tax return.

Proposed law authorizes DOR to promulgate rules in accordance with the Administrative Procedure Act to implement the provisions of proposed law.

Proposed law is applicable to all taxable periods beginning on or after Jan. 1, 2026.

Effective January 1, 2026.

(Adds R.S. 47:293(9)(a)(xxvii) and 297.26)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Remove the individual income tax deduction for La. taxpayers 65 years of age or older.