

2025 Regular Session

SENATE BILL NO. 235

BY SENATOR DUPLESSIS

TAX/INCOME/PERSONAL. Establishes an individual income tax credit for payments made toward a homeowner's insurance policy premium. (1/1/26)

1 AN ACT

2 To enact R.S. 47:297.26, relative to individual income tax; to provide for a credit toward a
3 homeowner's insurance policy premium; to provide relative to limitation of the
4 credit; to provide for refundability for certain taxpayers; to authorize the credit to be
5 carried forward in certain circumstances; to require certain taxpayers to maintain
6 documentation; to provide for rulemaking; to provide for an effective date; and to
7 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; insurance premium**

11 **A. There shall be allowed a credit against the tax imposed by this**
12 **Chapter for an individual taxpayer who pays an insurance policy premium for**
13 **homeowner's insurance. In order to qualify for the credit, the taxpayer's**
14 **household income shall not exceed an amount equal to two hundred percent of**
15 **the federal poverty guidelines published in the prior calendar year in the**
16 **Federal Register by the United States Department of Health and Human**
17 **Services under its authority to revise the poverty line pursuant to 42 U.S.C.**

1 9902.

2 B.(1) The credit shall be equal to the insurance policy premium paid for
3 the homeowner's insurance on a taxpayer's primary residence, not to exceed
4 two thousand dollars.

5 (2) No more than ten million in tax credits shall be granted in one
6 calendar year.

7 (3) The granting of credits shall be on a first-come, first-served basis. If
8 the total amount of credits applied for in any particular year exceeds the
9 aggregate amount of tax credits allowed for that year, the excess shall be treated
10 as having been applied for on the first day of the subsequent year.

11 (4) No credits shall be granted pursuant to this Section for taxable
12 periods beginning on or after January 1, 2036.

13 C.(1) If the credit is earned by a resident individual whose federal
14 adjusted gross income is equal to or less than twenty-five thousand dollars and
15 the credit exceeds the amount of the individual's income tax liability for the
16 taxable year, the excess tax credit shall constitute an overpayment, as defined
17 in R.S. 47:1621(A), and the secretary shall make a refund of such overpayment
18 from the current collections of the taxes imposed by this Chapter. The right to
19 a refund of any such overpayment shall not be subject to the requirements of
20 R.S. 47:1621(B).

21 (2) If the credit is earned by a resident individual whose federal adjusted
22 gross income is greater than twenty-five thousand dollars and the credit exceeds
23 the amount of the individual's income tax liability for the taxable period, the
24 excess tax credit may be carried forward as a credit against any subsequent
25 individual income tax liability for a period not to exceed five years.

26 D. Taxpayers claiming the credit shall maintain all documentation
27 necessary to verify the amount of insurance premium paid during the calendar
28 year for which a credit is claimed.

29 E. The secretary of the Department of Revenue may promulgate rules

1 in accordance with the Administrative Procedure Act to implement the
 2 provisions of this Section.

3 Section 2. This Act shall become effective on January 1, 2026, and shall be
 4 applicable to taxable periods beginning on and after January 1, 2026.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 235 Reengrossed

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Duplessis

Proposed law authorizes an individual income tax credit for an individual taxpayer who pays an insurance policy premium for homeowner's insurance. Further requires that the taxpayer's household income shall not exceed an amount equal to 200% of the federal poverty guidelines.

Proposed law provides that the amount of the credit shall be equal to the insurance policy premium paid for homeowner's insurance for the taxpayer's primary residence, not to exceed \$2,000.

Proposed law provides that a resident individual who has a federal adjusted gross income equal or less than \$25,000 may be entitled to a refund, if the credit exceeds the tax liability for the taxable year. Further provides the overpayment shall be refunded from current collections by the secretary of the Dept. of Revenue imposed in present law.

Proposed law provides that a resident individual who has a federal adjusted gross income greater than \$25,000 is entitled to a credit carry forward if the tax credit exceeds the tax liability for the taxable year. Further limits the carry forward of excess tax credit to five years.

Proposed law limits the amount of credits that may be granted in a calendar year to \$10M. Further provides credits are issued on a first-come, first-served basis and that if the total amount of credits issued exceeds the amount of credits authorized for tax year, the excess is treated as having been applied for on the first day of the subsequent year.

Proposed law prohibits any credits from being earned after December 31, 2036.

Proposed law requires a taxpayer claiming the credit to maintain all documentation necessary to verify the amount of insurance premium paid during the calendar year for which the credit is claimed.

Proposed law authorizes the secretary of the Dept. of Revenue to promulgate rules in accordance with the APA to administer the credit.

Effective on January 1, 2026.

(Adds R.S. 47:297.26)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Clarifies that income is the taxpayer's household income.

Senate Floor Amendments to engrossed bill

1. Limit the amount of tax credits that may be granted in a calendar year to \$10M. Provide that the tax credits are issued on a first-come, first-served basis.
2. Provide if the total amount of tax credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.
3. Prohibit any credits from being earned after December 31, 2036.