

2017 Regular Session

SENATE BILL NO. 175

BY SENATOR MORRELL

TAX/INCOME/PERSONAL. Provides for a deduction for certain casualty losses arising from a major disaster. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:293(10), and to enact R.S. 47:293(9)(a)(xviii) and 297.14,  
3 relative to income tax deductions; to provide for a deduction for unreimbursed  
4 disaster related casualty losses not allowed as deductions for federal income tax  
5 purposes; to provide for a transition rule; to provide for an effective date; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:293(10) is hereby amended and reenacted and R.S.  
9 47:293(9)(a)(xviii) and 297.14 are hereby enacted to read as follows:

10 §293. Definitions

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

13 \* \* \*

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

\* \* \*

**(xviii) The disaster loss deduction as provided in R.S. 47:297.14.**

\* \* \*

(10) "Tax table income", for nonresident individuals, means the amount of Louisiana income, as provided in this Part, allocated and apportioned under the provisions of R.S. 47:241 through 247, plus the total amount of the personal exemptions and deductions already included in the tax tables promulgated by the secretary under authority of R.S. 47:295, less the proportionate amount of the federal income tax liability, excess federal itemized personal deductions, the temporary teacher deduction, the recreation volunteer and volunteer firefighter deduction, the construction code retrofitting deduction, any gratuitous grant, loan, or other benefit directly or indirectly provided to a taxpayer by a hurricane recovery entity if such benefit was included in federal adjusted gross income, the exclusion provided for in R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by I.R.C. Section 280C, the deduction for net capital gains, **the disaster loss deduction**, and personal exemptions and deductions provided for in R.S. 47:294. The proportionate amount is to be determined by the ratio of Louisiana income to federal adjusted gross income. When federal adjusted gross income is less than Louisiana income, the ratio shall be one hundred percent.

\* \* \*

**§297.14. Disaster loss deduction**

**A. Beginning January 1, 2016, there shall be allowed a deduction from tax table income for a taxpayer's unreimbursed losses arising from a major disaster declared in this state. The deduction authorized by this Section shall be equal to the actual amount of the taxpayer's unreimbursed losses, but no more than ten thousand dollars of deduction may be allowed to a taxpayer per taxable year. Unreimbursed losses in excess of ten thousand dollars shall not be eligible for this deduction. The amount of the deduction authorized in this Section shall not exceed the total taxable income of the individual.**

1                    **B. Definitions.**

2                    **(1) "Casualty loss" means the difference between the taxpayer's personal**  
3                    **use property's value immediately before and immediately after the casualty.**

4                    **(2) "Major disaster" means a natural disaster in this state declared by**  
5                    **the president to be a major disaster under the provisions of the Robert T.**  
6                    **Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207.**

7                    **(3) "Personal use property" means the taxpayer's personal residence,**  
8                    **household goods, and personal use motor vehicles.**

9                    **(4) "Unreimbursed loss" means a casualty loss for which the taxpayer**  
10                   **did not receive reimbursement from a grant or insurance, or that was not**  
11                   **covered by insurance and that federal law prevented the taxpayer from**  
12                   **including in the taxpayer's federal itemized deductions.**

13                   **C. Unreimbursed losses attributable to a major disaster in this state**  
14                   **occurring in 2016 or 2017, may only be claimed on the 2017 individual income**  
15                   **tax return. If a taxpayer incurred unreimbursed losses attributable to a major**  
16                   **disaster in both 2016 and 2017, the allowable deduction shall be ten thousand**  
17                   **dollars for each year.**

18                   **D. If the taxpayer receives any reimbursement in a subsequent year for**  
19                   **a loss for which the deduction provided by this Subsection was claimed, the**  
20                   **taxpayer shall file an amended individual income tax return for the year in**  
21                   **which the deduction was claimed reducing the deduction by the amount of the**  
22                   **reimbursement.**

23                   Section 2. This Act shall become effective upon signature by the governor or, if not  
24                   signed by the governor, upon expiration of the time for bills to become law without signature  
25                   by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
26                   vetoed by the governor and subsequently approved by the legislature, this Act shall become  
27                   effective on the day following such approval.

