

2018 Second Extraordinary Session

SENATE BILL NO. 10

BY SENATOR MORRELL

TAX/INCOME/PERSONAL. Increases the earned income tax credit. (Item #21)(See Act)

1 AN ACT

2 To amend and reenact R.S. 47:297.8(A), relative to individual income tax; to provide for an
3 increase of the earned income tax credit against state tax; to provide for an effective
4 date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:297.8(A) is hereby amended and reenacted to read as follows:

7 §297.8. Earned income tax credit

8 A. There shall be a credit against the tax imposed by this Chapter for
9 individuals in an amount equal to ~~three and one-half~~ **five** percent of the federal
10 earned income tax credit for which the individual is eligible for the taxable year
11 under Section 32 of the Internal Revenue Code.

12 * * *

13 Section 2. This Act shall be applicable to tax years beginning on and after January
14 1, 2018, and its applicability shall terminate upon the expiration of any temporary sales tax
15 levied pursuant to R.S. 47:321.1 as amended by an Act of the 2018 Second Extraordinary
16 Session, or levied pursuant to any other provision of law amended or enacted by an Act of
17 the 2018 Second Extraordinary Session of the Legislature of Louisiana.

1 Section 3. This Act shall become effective upon signature by the governor or, if not
2 signed by the governor, upon expiration of the time for bills to become law without signature
3 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
4 vetoed by the governor and subsequently approved by the legislature, this Act shall become
5 effective on the day following such approval.

The original instrument was prepared by James Benton. The following digest, which does not constitute a part of the legislative instrument, was prepared by Tammy Crain-Waldrop.

DIGEST

SB 10 Reengrossed

2018 Second Extraordinary Session

Morrell

Present law provides for a credit against the tax imposed on individuals in an amount equal to 3.5% of the federal earned income tax credit for which the individual is eligible for the taxable year.

Proposed law increases the credit from 3.5% to 5%.

Applicable to tax years beginning before or after January 1, 2018, and its applicability shall terminate upon the expiration of any temporary sales taxes levied pursuant to R.S. 47:321.1 as amended by an Act of the 2018 Second Extraordinary Session of the Legislature of Louisiana, or levied pursuant to any other provision of law amended or enacted by an Act of the 2018 Second Extraordinary Session of the Legislature of Louisiana.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:297.8(A))

Summary of Amendments Adopted by Senate

Senate Floor Amendments to engrossed bill

1. Terminates this tax credit upon expiration of any temporary sales tax levied during the 2018 2nd Extraordinary Session.