
DIGEST

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HB 300 Original

2021 Regular Session

James

Abstract: Eliminates the mandatory decrease in the amount of the credit in 2026.

Present law provides for an individual income tax credit based on the taxpayer's federal earned income tax credit authorized under Section 32 of the Internal Revenue Code. The amount of the credit is 5% of the amount of the taxpayer's federal earned income tax credit through Dec. 31, 2025. Beginning Jan. 1, 2026, the amount of the credit is decreased from 5% to 3.5% of the amount of the taxpayer's federal earned income tax credit.

Proposed law changes present law by eliminating the mandatory decrease in the amount of the credit in 2026, thereby making the 5% amount in present law permanent.

Present law provides that if the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess credit amount shall constitute an overpayment and shall be refunded to the taxpayer from the current collections of the taxes imposed under present law.

Proposed law retains present law.

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

(Amends R.S. 47:297.8)