
DIGEST

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HB 592 Original

2021 Regular Session

Hilferty

Abstract: Authorizes an income tax deduction equal to \$5,000 per child, per year, for early childhood care and education expenses paid for the care or education of a child from birth to four years of age.

Proposed law authorizes an individual income tax deduction for early childhood care and education expenses paid during the taxable year by a taxpayer for the care or education of a child from birth to four years of age, if the child qualifies as a dependency exemption on the taxpayer's La. income tax return for the taxable year or the prior taxable year. The amount of the deduction shall equal the actual amount of early childhood care and education expenses paid by the taxpayer for each child or \$5,000 per child, whichever is less.

Proposed law prohibits the amount of the deduction from exceeding the total taxable income of the taxpayer and requires the deduction to be in lieu of tax credits authorized in present law for certain childcare expenses and school readiness childcare expenses.

Proposed law defines early childhood care and education expenses to include amounts expended for the care or education of a child provided by a person other than a parent or the primary caregiver with whom the child resides including amounts paid to licensed childcare facilities, in-home care providers, and preschool and pre-kindergarten providers.

Proposed law requires the taxpayer claiming the deduction to maintain all records necessary to verify the amount of expenses claimed and if requested, to provide the records to the Dept. of Revenue when filing their tax return.

Proposed law authorizes the promulgation of rules in accordance with present law (Administrative Procedure Act) to implement the provisions of proposed law including rules related to the submission of documentation when claiming the deduction.

Applicable to amounts paid on or after Jan. 1, 2022.

Effective Jan. 1, 2022.

(Adds R.S. 47:297.16)