

2021 Regular Session

HOUSE BILL NO. 659

BY REPRESENTATIVE WILLARD

TAX/INCOME-CREDIT: Establishes an income tax credit for taxpayers claiming a dependent less than eighteen years of age

1 AN ACT

2 To enact R.S. 47:297.16, relative to income tax credits; to establish an income tax credit for
3 certain dependents; to provide for the amount of the credit; to provide for certain
4 requirements and limitations; to provide for applicability; to provide for an effective
5 date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:297.16 is hereby enacted to read as follows:

8 §297.16. Tax credit; dependents under eighteen years of age; limitations

9 A.(1) There shall be allowed a credit against the tax imposed by this Chapter
10 for each child under eighteen years of age claimed as a dependent by a taxpayer on
11 a Louisiana return. The amount of the credit shall be determined based on the gross
12 income of the taxpayer claiming the child and the age of the child as follows:

13 (a) If the gross income of the taxpayer is less than fifty-one thousand dollars
14 and the child is under six years of age, the amount of the credit shall be five hundred
15 dollars.

16 (b) If the gross income of the taxpayer is at least fifty-one thousand dollars
17 but less than one hundred thousand dollars and the child is under six years of age, the
18 amount of the credit shall be three hundred dollars.

1 (c) If the gross income of the taxpayer is less than fifty-one thousand dollars
2 and the child is at least six years of age but under eighteen years of age, the amount
3 of the credit shall be three hundred dollars.

4 (d) If the gross income of the taxpayer is at least fifty-one thousand dollars
5 but less than one hundred thousand dollars and the child is at least six years of age
6 but under eighteen years of age, the amount of the credit shall be two hundred
7 dollars.

8 (e) No credit shall be allowed pursuant to the provisions of this Section for
9 a taxpayer with a gross income of one hundred thousand dollars or more or a child
10 who is eighteen years of age or older.

11 (2) The income threshold provided for in this Subsection shall be applicable
12 regardless of the filing status of the taxpayer claiming the credit.

13 B. If the amount of the credit authorized pursuant to the provisions of this
14 Section exceeds the amount of the taxpayer's tax liability for the taxable year, the
15 excess tax credit amount shall constitute an overpayment as defined in R.S.
16 47:1621(A), and the secretary shall make a refund of the overpayment from the
17 current collections of the taxes imposed pursuant to this Chapter. The right to a
18 refund shall not be subject to the requirements of R.S. 47:1621(B).

19 Section 2. The provisions of this Section shall be applicable to taxable years
20 beginning on or after January 1, 2021.

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

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 659 Engrossed

2021 Regular Session

Willard

Abstract: Establishes an income tax credit for each child under 18 years old claimed as a dependent by a taxpayer on a La. return. The amount of the credit ranges between \$200 and \$500 depending on the taxpayer's gross income and the age of the child.

Proposed law establishes an income tax credit for each child under 18 years of age claimed as a dependent by the taxpayer on a La. return. The amount of the credit shall be determined based on the taxpayer's gross income and the age of the child as follows:

- (1) If the taxpayer's gross income is less than \$51,000 and the child is under six years old, the credit shall equal \$500.
- (2) If the taxpayer's gross income is at least \$51,000 but less than \$100,000 and the child is under six years old, the credit shall equal \$300.
- (3) If the taxpayer's gross income is less than \$51,000 and the child is at least six years old but under 18 years old, the credit shall equal \$300.
- (4) If the taxpayer's gross income is at least \$51,000 but less than \$100,000 and the child is at least six years old but under 18 years old, the credit shall equal \$200.

Proposed law prohibits a credit if the taxpayer's gross income exceeds \$100,000 or if the child is 18 years old or older.

Proposed law provides that the income threshold shall be applicable regardless of the filing status of the taxpayer claiming the credit.

Proposed 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 the secretary shall refund the overpayment from the tax collections imposed in present law.

Proposed law is applicable to taxable years beginning on or after Jan. 1, 2021.

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

(Adds R.S. 47:297.16)