2023 Regular Session

HOUSE BILL NO. 243

BY REPRESENTATIVE TARVER

TAX/INCOME-INDIV/CREDIT: Authorizes a one-time refundable individual income tax credit for certain Louisiana taxpayers

1	AN ACT
2	To enact R.S. 47:297.23, relative to individual income tax; to establish an income tax credit
3	for certain state taxpayers; to provide for the amount of the tax credit; to limit the
4	maximum amount of credits that may be paid; to provide for certain requirements
5	and limitations; to authorize the promulgation of rules; to provide for applicability;
6	to provide for an effective date; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:297.23 is hereby enacted to read as follows:
9	<u>§297.23. Tax credit; Louisiana taxpayers</u>
10	A.(1) There shall be allowed a one-time refundable tax credit against
11	Louisiana income tax for a portion of the income taxes paid by certain Louisiana
12	residents who were required to file a Louisiana individual income tax return for tax
13	year 2022. In order to be eligible for the tax credit, the resident's adjusted gross
14	income as defined in R.S. 47:293 as reported on the resident's 2022 Louisiana
15	individual income tax return shall be less than one hundred fifty thousand dollars.
16	Except as provided in Paragraph (2) of this Subsection, the amount of the credit shall
17	be as follows:
18	(a)(i) For a Louisiana resident whose adjusted gross income is less than one
19	hundred thousand dollars, one hundred twenty-five dollars.

1	(ii) For a Louisiana resident whose adjusted gross income is one hundred
2	thousand dollars or more but less than one hundred twenty-five thousand dollars, one
3	hundred dollars.
4	(iii) For a Louisiana resident whose adjusted gross income is one hundred
5	twenty-five thousand dollars or more but less than one hundred fifty thousand
6	dollars, seventy-five dollars.
7	(iv) No credit shall be paid to a Louisiana resident whose adjusted gross
8	income is one hundred fifty thousand dollars or more.
9	(b) In the case of a joint return filed by Louisiana residents who are husband
10	and wife pursuant to R.S. 47:101(B), both the husband and wife shall each qualify
11	for a credit if eligible in an amount based on their adjusted gross income as provided
12	for in this Paragraph.
13	(c) If the resident's Louisiana individual income tax return for tax year 2022
14	has not been filed at the time of applying for the credit authorized pursuant to the
15	provisions of this Section, the Louisiana individual income tax return for tax year
16	2021 may be used in lieu of the Louisiana individual income tax return for tax year
17	2022 to determine eligibility and the amount of the credit.
18	(2) The amount of the credit authorized pursuant to the provisions of
19	Paragraph (1) of this Subsection, shall be increased by one hundred twenty-five
20	dollars per dependent claimed by the Louisiana resident on the resident's Louisiana
21	individual income tax return filed for tax year 2022 for up to a maximum of two
22	dependents.
23	B.(1) The total amount of credits issued pursuant to the provisions of this
24	Section shall not exceed three hundred million dollars. The granting of credits shall
25	be on a first-come, first-served basis. All requests received on the same business day
26	shall be treated as received at the same time, and if the aggregate amount of the
27	requests received on a single business day exceeds the total amount of available tax
28	credits, tax credits shall be approved on a pro rata basis.
29	(2) If the tax credit earned pursuant to this Section exceeds the total tax
30	liability of a taxpayer in the taxable year, the amount of the credit not used as an

1	offset against the taxpayer's tax liability in the taxable year, shall constitute an
2	overpayment and shall be paid to the taxpayer from the current collections of the
3	taxes imposed under this Chapter. The right to a refund of any overpayment shall
4	not be subject to the requirements of R.S. 47:1621(B).
5	C. The secretary of the Department of Revenue may promulgate rules as are
6	necessary, in accordance with the provisions of the Administrative Procedure Act,
7	to implement the provisions of this Section.
8	Section 2. The credit authorized in this Act may only be claimed on individual tax
9	returns filed for tax years 2022 or 2023.
10	Section 3. This Act shall become effective upon signature by the governor or, if not
11	signed by the governor, upon expiration of the time for bills to become law without signature
12	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
13	vetoed by the governor and subsequently approved by the legislature, this Act shall become
14	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 243 Original

2023 Regular Session

Tarver

Abstract: Authorizes a one-time refundable income tax credit for La. residents who file La. individual income tax returns which reflect adjusted gross income of less than \$150,000 for the 2022 tax year.

<u>Proposed law</u> establishes a one-time refundable individual income tax credit for La. residents required to file La. individual income tax returns for tax year 2022. In order to be eligible for the credit, the resident's adjusted gross income as defined in <u>present law</u> as reported on the resident's 2022 La. individual income tax return must be less than \$150,000. The amount of the credit shall be as follows:

- (1) \$125 for a La. resident whose adjusted gross income is less than \$100,000.
- (2) \$100 for a La. resident whose adjusted gross income is \$100,000 or more but less than \$125,000.
- \$75 for a La. resident whose adjusted gross income is \$125,000 or more but less than \$150,000.
- (4) No credit is authorized for a La. resident with an adjusted gross income of \$150,000 or more.

<u>Proposed law</u> provides that in the case of a joint return filed by La. residents who are husband and wife, both the husband and wife shall each qualify for a credit in the amount eligible based on their adjusted gross income as provided in proposed law.

<u>Proposed law</u> authorizes the amount of the one-time credit to be increased by \$125 per dependent claimed by the La. resident on the resident's La. individual income tax return for tax year 2022 for up to a maximum of two dependents.

<u>Proposed law</u> provides that if the La. resident's La. individual income tax return for tax year 2022 has not been filed at the time of applying for the credit, the La. individual income tax return for tax year 2021 may be used in lieu of the 2022 La. individual income tax return to determine eligibility and the amount of the credit.

<u>Proposed law</u> limits the total amount of credit issued to \$300M. Credits shall be granted on a first-come, first-served basis. All requests received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceeds the total amount of available credits, credits shall be approved on a pro rata basis.

<u>Proposed law</u> provides that if the amount of the tax credit earned exceeds the total tax liability of a taxpayer in the taxable year, the amount of the credit not used as an offset against the taxpayer's tax liability shall constitute an overpayment and shall be paid to the taxpayer from the current collections of income taxes.

<u>Proposed law</u> authorizes the secretary to promulgate rules in accordance with the Administrative Procedure Act, including emergency rules as deemed necessary to implement the provisions of <u>proposed law</u>.

<u>Proposed law</u> limits the claiming of the credit authorized in proposed law to individual tax returns filed for tax years 2022 or 2023.

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

(Adds R.S. 47:297.23)