

2023 Regular Session

HOUSE BILL NO. 443

BY REPRESENTATIVE EDMONDS AND SENATOR HEWITT

TAX CREDITS: Establishes a refundable individual income tax credit for certain adoptions

1 AN ACT

2 To enact R.S. 47:297.23 and to repeal R.S. 47:297.20 and 297.21, relative to individual
3 income tax; to provide for an individual income tax credit for the adoption of certain
4 children; to provide for the amount of the credit; to provide for limitations and
5 requirements; to authorize the promulgation of rules; to repeal the individual income
6 tax deduction for the adoption of a child or youth from foster care; to repeal the
7 individual income tax deduction for the private adoption of certain infants; to
8 provide for applicability; to provide for an effective date; and to provide for related
9 matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:297.23 is hereby enacted to read as follows:

12 §297.23. Tax credit; adoption

13 A.(1) There shall be allowed a refundable credit against the tax imposed by
14 this Chapter for a taxpayer who adopts a child who is unrelated to the taxpayer and
15 who is less than eighteen years of age. The amount of the credit shall be equal to
16 five thousand dollars and shall be claimed in the year in which adoption of the child
17 becomes final. For purposes of this Section, the age of the child shall be determined
18 at the time of the adoption placement.

19 (2) The credit authorized pursuant to the provisions of this Section shall be
20 in lieu of the dependency deduction authorized in R.S. 47:294.

1 B.(1) If the amount of the credit authorized pursuant to the provisions of this
2 Section exceeds the amount of the taxpayer's tax liability for the taxable year, the
3 excess tax credit amount shall constitute an overpayment as defined in R.S.
4 47:1621(A), and the secretary shall make a refund of the overpayment from the
5 current collections of the taxes imposed pursuant to this Chapter. The right to a
6 refund shall not be subject to the requirements of R.S. 47:1621(B).

7 (2) The taxpayer shall maintain all records necessary to verify the adoption
8 and, if requested, shall provide the records to the Department of Revenue when filing
9 the taxpayer's tax return.

10 C. The secretary of the Department of Revenue may promulgate rules in
11 accordance with the Administrative Procedure Act to implement the provisions of
12 this Section, including rules related to the submission of documentation when
13 claiming the credit.

14 Section 2. R.S. 47:297.20 and 297.21 are hereby repealed in their entirety.

15 Section 3. The provisions of this Act shall be applicable to adoptions finalized on
16 or after January 1, 2023.

17 Section 4. This Act shall become effective upon signature by the governor or, if not
18 signed by the governor, upon expiration of the time for bills to become law without signature
19 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
20 vetoed by the governor and subsequently approved by the legislature, this Act shall become
21 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 443 Original

2023 Regular Session

Edmonds

Abstract: Authorizes a refundable income tax credit of \$5,000 for a taxpayer who adopts a child who is unrelated to the taxpayer and who is less than 18 years of age.

Present law provides for a \$5,000 income tax deduction for a taxpayer who adopts a child who is in foster care, as defined in present law (Children's Code Art. 603), or a youth receiving extended foster care services pursuant to present law (R.S. 46:288.1 et seq.—Extended Foster Care Program Act). Further provides for a \$5,000 income tax

deduction for a taxpayer who adopts an infant who is unrelated to the taxpayer and who is less than one year of age through a private agency or who adopts an infant who is unrelated to the taxpayer and who is less than one year of age through an attorney.

Proposed law repeals present law.

Proposed law establishes a refundable income tax credit for a taxpayer who adopts a child who is unrelated to the taxpayer and who is less than 18 years of age. For purposes of proposed law, the age of the child shall be determined at the time of the adoption placement.

Proposed law provides that the amount of the tax credit shall equal \$5,000 and shall be applicable in the year the adoption of the child becomes final. Further provides that the credit established in proposed law shall be in lieu of the dependency deduction authorized in present law (R.S. 47:294).

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 requires taxpayers claiming the credit to maintain all records necessary to verify the adoption and if requested, to provide the records to the Dept. of Revenue when filing the taxpayer's 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 credit.

Proposed law is applicable to adoptions finalized on or after Jan. 1, 2023.

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

(Adds R.S. 47:297.23; Repeals R.S. 47:297.20 and 297.21)