
DIGEST

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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)