

2023 Regular Session

SENATE BILL NO. 195

BY SENATOR DUPLESSIS

TAX/INCOME/PERSONAL. Establishes an individual income tax credit for payments made toward a homeowner's insurance deductible for certain losses. (1/1/24)

1 AN ACT  
2 To enact R.S. 47:297.23, relative to a individual income tax; to provide for a credit toward  
3 a homeowner's insurance deductible for losses; to provide relative to limitation of the  
4 credit; to provide for refundability for certain taxpayers; to authorize the credit to be  
5 carried forward in certain circumstances; to require taxpayers to maintain  
6 documentation; 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 **§297.23. Tax credit; insurance deductible for losses**

10 **A. There shall be a credit against individual income tax liability due**  
11 **under this Part for the total amount paid during a calendar year toward the**  
12 **insurance deductible for losses under a homeowner's insurance policy on**  
13 **property located in Louisiana.**

14 **(1) The total amount of the insurance deductible eligible for the credit**  
15 **is limited to the total amount paid under the homeowner's policy of insurance**  
16 **or any separate deductible paid under R.S. 22:133, including hurricane,**  
17 **named-storm, and wind and hail deductibles, whichever is greater.**

1                   **(2) The credit shall be limited to insurance deductibles paid for the**  
2                   **taxpayer's primary residence only.**

3                   **B.(1) If the credit against Louisiana income tax for a resident individual**  
4                   **whose federal adjusted gross income is equal to or less than twenty-five**  
5                   **thousand dollars exceeds the amount of the individual's tax liability for the**  
6                   **taxable year, then the excess tax credit shall constitute an overpayment, as**  
7                   **defined in R.S. 47:1621(A), and the secretary shall make a refund of such**  
8                   **overpayment from the current collections of the taxes imposed under this Part.**  
9                   **The right to a refund of any such overpayment shall not be subject to the**  
10                   **requirements of R.S. 47:1621(B).**

11                   **(2) If the credit against Louisiana income tax for a resident individual**  
12                   **whose federal adjusted gross income is greater than twenty-five thousand**  
13                   **dollars exceeds the amount of the individual's tax liability for the taxable**  
14                   **period, then the excess tax credit may be carried forward as a credit against any**  
15                   **subsequent tax liability of the individual imposed by this Part for a period not**  
16                   **exceeding five years.**

17                   **C. Taxpayers claiming the credit shall maintain all documentation**  
18                   **necessary to verify the amount of insurance deductibles paid for losses during**  
19                   **the calendar year for which a credit is claimed pursuant to this Section.**

20                   Section 2. This Act shall become effective on January 1, 2024.

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The original instrument and the following digest, which constitutes no part  
of the legislative instrument, were prepared by Emily W Toler.

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SB 195 Original

DIGEST  
2023 Regular Session

Duplessis

Proposed law authorizes a credit against an individual income tax for amounts paid toward a homeowner's insurance deductible for losses during the calendar year.

Proposed law provides the amount of the insurance deductible eligible for the credit is limited to the total amount paid under the homeowner's insurance policy or any separate deductible paid under present law, including hurricane, named-storm, and wind and hail deductibles, whichever is greater.

Proposed law limits the credit to insurance deductibles paid for the taxpayer's primary residence only.

Proposed law provides if the credit against Louisiana income tax for a resident individual whose federal adjusted gross income is equal to or less than \$25,000 exceeds the amount of the individual's tax liability for the taxable year, then the excess tax credit shall be refundable.

Proposed law provides if the credit against Louisiana income tax for a resident individual whose federal adjusted gross income is greater than \$25,000 exceeds the amount of the individual's tax liability for the taxable period, then the excess tax credit may be carried forward for subsequent individual income tax liabilities not to exceed five years.

Proposed law requires taxpayers claiming the credit to maintain all documentation necessary to verify the amount of insurance deductibles paid for losses.

Effective on January 1, 2024.

(Adds R.S. 47:297.23)