

2023 Regular Session

HOUSE BILL NO. 638

BY REPRESENTATIVE MCFARLAND

TAX/INCOME TAX: Provides relative to tax benefits for adoption of children from foster care and donations to foster care charitable organizations

1 AN ACT

2 To amend and reenact R.S. 47:297.20(C) and 6042(B)(introductory paragraph) and (1), (D),
3 and (F)(4), relative to tax benefits for adoption of children from foster care and
4 donations to foster care charitable organizations; to provide relative to a tax
5 deduction for adoption of children from foster care; to provide relative to a tax credit
6 for donations to foster care charitable organizations; to provide for administration of
7 the tax deduction and tax credit by the Department of Revenue; and to provide for
8 related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:297.20(C) and 6042(B)(introductory paragraph) and (1), (D), and
11 (F)(4) are hereby amended and reenacted to read as follows:

12 §297.20. Tax deduction; adoption from foster care

13 * * *

14 C.(1) The secretary of the Department of Revenue may promulgate rules in
15 accordance with the Administrative Procedure Act to implement the provisions of
16 this Section, including rules related to the submission of documentation when
17 claiming the deduction.

18 (2) If the rules promulgated pursuant to this Subsection require the
19 submission of a deduction eligibility certification letter and the secretary of the
20 Department of Revenue determines that the process of obtaining that letter is an

1 impediment to, or causes an undue burden for, claiming of the deduction provided
2 for in this Section, then the secretary may amend such rules to provide for an
3 alternative process for certification of eligibility for the deduction. The process may
4 include certification on a standardized form promulgated by the secretary in rule.

5 * * *

6 §6042. Credits; qualifying foster care charitable organizations

7 * * *

8 B. An organization other than a nonprofit foster care organization licensed
9 by this state that seeks to become a qualifying foster care charitable organization
10 shall apply to the department and provide the following:

11 (1) A statement, signed by an officer of the organization under penalty of
12 perjury, that the organization meets all of the criteria provided in ~~Paragraph (F)(4)~~
13 Subparagraph (F)(4)(b) of this Section.

14 * * *

15 D.(1) A qualified foster care charitable organization shall issue ~~a receipt~~ to
16 each person from whom the ~~foster care~~ organization receives a donation a receipt
17 that meets the requirements of Paragraph (2) of this Subsection. ~~The receipt shall~~
18 ~~indicate the actual amount of the donation that was used by the foster care~~
19 ~~organization to provide services to qualified individuals.~~ A taxpayer shall provide
20 a copy of the receipt to the department when claiming the credit authorized by this
21 Section.

22 (2) ~~The department shall provide a standardized format for the receipt~~
23 ~~required pursuant to this Subsection.~~ The receipt required by this Subsection shall
24 contain all of the following information:

25 (a) The name of the organization.

26 (b) The actual amount of the donation that was used by the foster care
27 organization to provide services to qualified individuals.

28 (c) A statement that no goods or services were provided by the organization,
29 if that is the case.

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 638 Original

2023 Regular Session

McFarland

Abstract: Provides relative to administration of a tax deduction for adoption of children from foster care and a tax credit for donations to foster care charitable organizations.

Present law authorizes and provides for a tax deduction for adoption of children from foster care and a tax credit for donations to foster care charitable organizations.

Proposed law makes the following changes to present law:

- (1) Provides that certification of eligibility for the tax deduction for adoption of children from foster care may be on a standardized form promulgated in rule by the secretary of the Dept. of Revenue.
- (2) Provides that receipts for donations to qualifying foster care charitable organizations shall conform with standards for written acknowledgment of certain charitable contributions required by the Internal Revenue Service.
- (3) Provides that any nonprofit foster care organization licensed by and in good standing with the Dept. of Children and Family Services shall be deemed a "qualifying foster care charitable organization" or "foster care organization" pursuant to present law.

(Amends R.S. 47:297.20(C) and 6042(B)(intro. para.) and (1), (D), and (F)(4))