
HOUSE COMMITTEE AMENDMENTS

2023 Regular Session

Substitute for Original House Bill No. 386 by Representative Beaulieu as proposed by the House Committee on Ways and Means

This document reflects the content of a substitute bill but is not in a bill form; page numbers in this document DO NOT correspond to page numbers in the substitute bill itself.

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

Be it enacted by the Legislature of Louisiana:

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

§297.20. Tax deduction; adoption from foster care

* * *

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

(2) If the rules promulgated pursuant to this Subsection require the submission of a deduction eligibility certification letter and the secretary of the Department of Revenue determines that the process of obtaining that letter is an impediment to, or causes an undue burden for, claiming of the deduction provided for in this Section, then the secretary may amend such rules to provide for an alternative process for certification of eligibility for the deduction. The process may include certification on a standardized form promulgated by the secretary in rule.

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§6042. Credits; qualifying foster care charitable organizations

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

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

* * *

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

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

- (a) The name of the organization.
- (b) The actual amount of the donation that was used by the foster care organization to provide services to qualified individuals.
- (c) A statement that no goods or services were provided by the organization, if that is the case.
- (d) A description and good faith estimate of the value of goods or services, if any, that the organization provided in return for the contribution.
- (e) A statement that goods or services, if any, that the organization provided in return for the contribution consisted entirely of intangible religious benefits, if that is the case.

(f) The name and federal employer identification number or last four digits of the social security number of the taxpayer making the donation.

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F. For purposes of this Section, the following words shall have the following meanings unless the context clearly indicates otherwise:

* * *

(4) "Qualifying foster care charitable organization" or "foster care organization" means ~~an organization that meets all of the following criteria~~ any of the following:

(a) Any nonprofit foster care organization licensed by and in good standing with the Department of Children and Family Services.

(b) Any organization that meets all of the following criteria:

~~(a)~~ (i) Is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.

~~(b)~~ (ii) Provides services to at least twenty-five qualified individuals each operating year.

~~(c)~~ (iii) Spends at least seventy-five percent of its total budget on providing services to qualified individuals or spends at least seventy-five percent of its funds budgeted for Louisiana on providing services to qualified individuals and the organization certifies to the department that one hundred percent of the donations it receives from Louisiana residents will be spent on providing services to qualified individuals.

~~(d)~~ (iv) Is approved by the department after applying as provided in Subsection B of this Section.

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Section 2. The provisions of this Act shall apply to taxable periods beginning on or after January 1, 2023.

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 Draft

2023 Regular Session

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. Authorizes the secretary of the Dept. of Revenue, referred to hereafter as the "department", to promulgate rules to implement present law, including rules related to submission of documentation when claiming the deduction.

Proposed law retains present law and stipulates that if the rules of the department require the submission of a deduction eligibility certification letter and the secretary determines that the process of obtaining that letter is an impediment to, or causes an undue burden for, claiming of the deduction, then the secretary may amend the rules to provide for an alternative process for eligibility certification. Provides that such process may include certification on a standardized form.

Present law authorizes and provides for 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.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2023.

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