
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 19 Original

2024 Third Extraordinary Session

Glorioso

Abstract: Requires every individual whose estimated La. income tax liability is expected to exceed \$300 after deducting all allowable credits, to file a declaration of estimated tax for any debt forgiven as a result of a lawsuit or debt forgiven by a business which has entered into certain agreements with the taxpayer to finance litigation or other medical related debts resulting from treatment of a plaintiff in a tort claim.

Present law requires every individual whose La. income tax liability is expected to exceed \$1,000 for declarations of estimated tax for income tax years beginning on and after Jan. 1, 2001, after deducting all allowable credits, to file a declaration of estimated tax. Further authorizes a husband and wife to jointly file a single declaration; however, if a joint declaration is made but a joint return is not filed for the taxable year, the estimated tax for the year may be treated as the estimated tax of either the husband or the wife, or may be divided between them.

Proposed law retains present law but adds a specific requirement that, beginning in tax year Jan. 1, 2025, every individual whose estimated La. income tax liability is expected to exceed \$300 after deducting all allowable credits is required to file a declaration of estimated tax for any debt forgiven as a result of the settlement of a lawsuit or any debt forgiven by a business which has entered into any of the following agreements with the taxpayer:

- (1) An agreement to finance litigation.
- (2) To purchase the accounts receivable of a medical provider for the collection of medical debts directly related to the treatment of a plaintiff in a tort claim.
- (3) Any factoring contract related to accounts receivable of a medical provider for debts associated with the treatment of a plaintiff in a tort claim.

Proposed law is applicable to tax periods beginning on or after Jan. 1, 2025.

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

(Amends R.S. 47:116(A))