

2025 Regular Session

SENATE BILL NO. 12

BY SENATOR FOIL

TAX/INCOME/PERSONAL. Excludes certain amounts deposited into ABLE accounts for qualified expenses of persons with disabilities from state income tax. (8/1/25)

1 AN ACT

2 To amend and reenact R.S. 17:3088 and R.S. 47:297.10(C), 297.11(B) and 297.12(C) and

3 to enact R.S. 47:293(9)(a)(xxvii), relative to the Achieving a Better Life Experience

4 Account Program (ABLE); to provide relative to tax table income; to exclude certain

5 deposits into ABLE accounts for financing of certain qualified expenses of persons

6 with disabilities; to provide for anti-stacking provisions; to provide for applicability;

7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 17:3088 is hereby amended and reenacted to read as follows:

10 §3088. Amounts deposited in ABLE accounts; Louisiana income tax; tax table

11 income

12 ~~For tax years beginning on and after January 1, 2016, amounts deposited in~~

13 ~~an ABLE account on behalf of any designated beneficiary may be excluded from tax~~

14 ~~table income for purposes of Louisiana income tax if authorized by the provisions~~

15 ~~of R.S. 47:293(9)(a). **For tax years beginning on and after January 1, 2026,**~~

16 ~~**amounts that an account owner deposits into an ABLE account on behalf of any**~~

17 ~~**designated beneficiary shall be exempt from inclusion in the account owner's**~~

1 taxable income for the purposes of state individual income tax up to a maximum
 2 of two thousand four hundred dollars per beneficiary per taxable year for
 3 account owners filing single returns and up to a maximum of four thousand
 4 eight hundred dollars per beneficiary per taxable year for account owners filing
 5 joint returns, as provided in R.S. 47:293(9)(a)(xxvii). If an account owner
 6 deposits less than the maximum two thousand four hundred dollars per year in
 7 an owned account and files a single return or if married account owners deposit
 8 less than the maximum of four thousand eight hundred dollars per year in an
 9 account or accounts for a beneficiary and file a joint return, the difference
 10 between the total deposits and two thousand four hundred dollars or four
 11 thousand eight hundred dollars, respectively, shall roll over to subsequent years
 12 and shall be exempt from inclusion in the account owner's taxable income for
 13 the purposes of state income tax in addition to the two thousand four hundred
 14 dollars or four thousand eight hundred dollars in the year actually deposited,
 15 as provided in R.S. 47:293(9)(a)(xxvii).

16 Section 2. R.S. 47:297.10(C), 297.11(B) and 297.12(C) are hereby amended and
 17 reenacted and R.S. 47:293(9)(a)(xxvii) is hereby enacted to read as follows:

18 §293. Definitions

19 The following definitions shall apply throughout this Part, unless the context
 20 requires otherwise:

21 * * *

22 (9)(a) "Tax table income", for resident individuals, means adjusted gross
 23 income plus interest on obligations of a state or political subdivision thereof, other
 24 than Louisiana and its municipalities, title to which obligations vested with the
 25 resident individual on or subsequent to January 1, 1980, and less:

26 * * *

27 (xxvii) For tax years beginning on and after January 1, 2026, the amount
 28 deposited in a special savings account for financing of certain qualified expenses
 29 of persons with disabilities as provided in R.S. 17:3088 and any interest

1 accrued; however, any deposit plus interest withdrawn from a special savings
2 account for purposes other than paying qualified disability expenses, as defined
3 in R.S. 17:3082, shall be included in taxable income.

4 * * *

5 §297.10. Tax deduction; elementary and secondary school tuition

6 * * *

7 C. Disbursements from the Louisiana Student Tuition Assistance and
8 Revenue Trust Kindergarten Through Grade Twelve Program that are entitled to the
9 deduction under R.S. ~~17:3100.5~~ **17:3088 or 3100.5** and that are used to pay tuition
10 and fees for a student's enrollment in a nonpublic elementary or secondary school or
11 to any public elementary or secondary laboratory school operated by a public college
12 or university shall not be eligible for the deduction authorized pursuant to this
13 Section.

14 §297.11. Tax deduction; educational expenses for home-schooled children

15 * * *

16 B. Disbursements from the Louisiana Student Tuition Assistance and
17 Revenue Trust Kindergarten Through Grade Twelve Program that are entitled to the
18 deduction under R.S. ~~17:3100.5~~ **17:3088 or 3100.5** and that are used to pay tuition
19 and fees for a student's enrollment in a nonpublic elementary or secondary school or
20 to any public elementary or secondary laboratory school operated by a public college
21 or university shall not be eligible for the deduction authorized pursuant to this
22 Section.

23 §297.12. Tax deduction; fees and other educational expenses for a quality public
24 education

25 * * *

26 C. Disbursements from the Louisiana Student Tuition Assistance and
27 Revenue Trust Kindergarten Through Grade Twelve Program that are entitled to the
28 deduction under R.S. ~~17:3100.5~~ **17:3088 or 3100.5** and that are used to pay costs
29 associated with a student's enrollment in a public elementary or secondary school in

1 order to ensure a quality education shall not be eligible for the deduction authorized
2 pursuant to this Section.

3 Section 3. The provisions of this Act shall be applicable for taxable periods
4 beginning on or after January 1, 2026.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Danielle B. Clapinski.

DIGEST

SB 12 Original

2025 Regular Session

Foil

Present law (R.S. 47:3081 et seq.) creates the Achieving a Better Life Experience in Louisiana Account Program (ABLE), a savings program that encourages and assists individuals and families in saving private funds for the purpose of supporting persons with disabilities in endeavors to maintain health, independence, and quality of life.

Proposed law retains present law.

Present law authorizes an exemption for amounts deposited into an ABLE account from the owner's state taxable income if enacted by the legislature.

Proposed law repeals present law and exempts annual deposits from ABLE account owner's state income tax annual deposits up to \$2,400 for single filers and \$4,800 for joint filers, per account. If less than the maximum annual deposits are deposited in any year, the difference between the total deposit and \$2,400 for single filers or \$4,800 for joint filers shall roll over to subsequent years and shall be exempt from inclusion in the account owner's state taxable income.

Present law authorizes tax deductions for costs associated with enrollment in an elementary or secondary school and other educational expenses.

Proposed law prohibits an account owner from claiming both the tax exemption for the ABLE and the tax deductions for costs associated with enrollment in an elementary and secondary school and other educational expenses within the same taxable year.

Applicable for tax periods beginning on or after January 1, 2026.

Effective August 1, 2025.

(Amends R.S. 17:3088, R.S. 47:297.10(C), 297.11(B), and 297.12(C); adds R.S. 47:293(9)(a)(xxvii))