

First Extraordinary Session, 2005

SENATE BILL NO. 42

BY SENATOR MOUNT

TAX/TAXATION. Provides that the Louisiana federal income tax deduction shall not be reduced if the secretary of the Department of Revenue determines that the reduction is due to federal tax relief credits. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:287.85(C)(2) and R.S. 47:293(3), relative to income tax of
3 estates and trusts, corporations, and individuals; to provide that the Louisiana federal
4 income tax deduction shall not be reduced by the amount of certain federal disaster
5 relief tax credits; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:287.85(C)(2) and R.S. 47:293(3) are hereby amended and
8 reenacted to read as follows:

9 §287.85. Federal income tax deduction

10 * * *

11 C. * * *

12 (2) "Credits" as used in this Subsection does not include overpayments of
13 prior year taxes allowed as a credit, estimated tax payments or similar prepayments,
14 or credit for prior year alternative minimum tax which is allowed as a credit against
15 the current federal regular income tax, **or federal income tax credits determined**
16 **by the secretary to be presidential disaster area disaster relief credits.**

17 * * *

1 §293. Definitions

2 The following definitions shall apply throughout this Part, unless the context
3 requires otherwise:

4 * * *

5 (3) "Federal income tax liability," for the purpose of this Part, means the total
6 amount of tax due to the United States for the taxable period on the individual
7 income tax return required to be filed by any taxpayer, except that:

8 (a) Social security taxes and self-employment taxes shall not be included.

9 (b) **The federal income tax liability shall be increased by any federal**
10 **income tax credits determined by the secretary to be presidential disaster area**
11 **disaster relief credits.**

12 * * *

13 Section 2. This Act shall be effective for all taxable periods beginning after
14 December 31, 2004.

15 Section 3. This Act shall become effective upon signature by the governor or, if not
16 signed by the governor, upon expiration of the time for bills to become law without signature
17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
19 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Present law provides that the federal income tax deduction is the amount due to the federal government after all federal credits.

Proposed law provides that the federal income tax deduction allowed for individuals, estates and trusts, and corporations will not be reduced by the amount of federal disaster relief disaster credits.

Effective for taxable periods beginning after December 31, 2004.

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

(Amends R.S. 47:287.85(C)(2) and 293(3))