

**LEGISLATIVE FISCAL OFFICE**

**Fiscal Note**



Fiscal Note On: **HB 24** HLS 051ES 235  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Sub. Bill For.:  
 Proposed Amd.:

<b>Date:</b> November 7, 2005 7:28 PM	<b>Author:</b> HAMMETT
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Personal Income Tax - Federal Disaster Relief Windfall	

TAX/INCOME TAX OR SEE FISC NOTE GF RV Page 1 of 1  
 Increases deduction from state income taxes for federal income taxes paid by the amount of presidential disaster area relief credits (Item #11)

Current law allows taxpayers to deduct the amount of their federal income tax when computing their LA taxable income.

Proposed law provides that the federal income tax deduction is not to be reduced by the amount of any federal income tax credits determined to be presidential disaster area disaster relief credits.

Effective for all taxable periods beginning after December 31, 2004.

<b>EXPENDITURES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b><u>2005-06</u></b>	<b><u>2006-07</u></b>	<b><u>2007-08</u></b>	<b><u>2008-09</u></b>	<b><u>2009-10</u></b>	<b><u>5 -YEAR TOTAL</u></b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

The federal tax deduction works to reduce LA taxable income and consequently LA income tax liability. Federal disaster tax relief would work to reduce the federal tax deduction taxpayers would claim on their state income tax returns. This would increase their state taxable income and consequently their state income tax liability. This bill would preclude that from happening and hold federal tax deductions, LA taxable income, and LA tax liabilities to levels that would otherwise occur had no federal disaster tax relief been received.

While this bill will preclude the State from receiving additional personal income tax collections associated with any federal disaster tax relief, the official revenue forecasts do not incorporate an expectation of receiving any such revenue. Thus, the anticipated State revenue baseline is unaffected by this bill.

Senate                      Dual Referral Rules

13.5.1 >= \$500,000 Annual Fiscal Cost

13.5.2 >= \$500,000 Annual Tax or Fee Change

House

6.8(F) >= \$500,000 Annual Fiscal Cost

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

*H. Gordon Monk*

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**Legislative Fiscal Officer**