

Regular Session, 2013

HOUSE BILL NO. 511

BY REPRESENTATIVE THOMPSON

TAX/INCOME TAX: Individual income tax exemption for overtime wages earned by certain employees who are subject to the Fair Labor Standards Act

1 AN ACT

2 To enact R.S. 47:297.13, relative to individual income tax exemptions; to provide for an
3 individual income tax exemption for income earned from overtime work by certain
4 taxpayers; to require record-keeping and record retention by certain employers; to
5 require the provision of certain information to employees; to provide for
6 applicability; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297.13 is hereby enacted to read as follows:

9 §297.13. Exemption from income; overtime compensation; limits; record-keeping

10 A. For each tax year beginning on or after January 1, 2014, up to five
11 hundred dollars of overtime wages paid to an employee shall be exempt from
12 taxation under this Chapter. The maximum amount of income which shall be exempt
13 pursuant to this Section in any taxable year is five hundred dollars per tax return,
14 regardless of filing status.

15 B. For purposes of this Section, "employee" means a taxpayer whose
16 employment is covered by the Fair Labor Standards Act and who files a Louisiana
17 income tax return which reflects an adjusted gross income of no more than forty-four
18 thousand dollars.

19 C. An employer who pays overtime compensation shall maintain a record
20 of the amount of overtime hours worked and the amount of overtime compensation

1 paid to each employee each calendar year, beginning January 1, 2014. Upon the
2 request of an employee, and unless otherwise previously provided by the employer,
3 the employer shall provide to each employee the record of his overtime data for each
4 tax year. The records required to be maintained pursuant to this Subsection shall be
5 retained by the employer for three years.

6 D. The provisions of this Act shall be applicable for all tax years beginning
7 on and after January 1, 2014.

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)]

Thompson

HB No. 511

Abstract: Exempts up to \$500 of overtime wages from individual income tax for taxpayers with an adjusted gross income of no more than \$44,000, regardless of filing status.

Proposed law provides an exemption from individual income tax for up to \$500 of overtime wages earned by a Louisiana taxpayer whose employment is covered by the Fair Labor Standards Act and who reports his income on a tax return which reflects an adjusted gross income of \$44,000 or less.

Proposed law is applicable to all taxable years beginning on and after Jan. 1, 2014.

Proposed law requires employers to maintain records of overtime hours worked and wages paid. Upon the employee's request, the employer shall provide to the employee's record of overtime data for each taxable year. Records shall be retained by the employer for 3 years.

(Adds R.S. 47:297.13)