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## DIGEST

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HB 508 Engrossed

2015 Regular Session

Foil

**Abstract:** Authorizes an income tax deduction for taxpayers who employ qualified individuals with disabilities.

Proposed law authorizes an income tax deduction for each taxpayer who provides continuous employment to a qualified individual with a disability. A taxpayer is eligible to claim the deduction after employing a qualified individual with a disability for four continuous months for no less than an average of 20 hours a week at a rate comparable to and in the same setting as other employees performing the same or similar task.

Proposed law limits the number of qualified individuals for which the deduction may be claimed to 100 and directs the secretary of the Dept. of Revenue, in consultation with the Dept. of Health and Hospitals and the Office of Veterans Affairs, to promulgate rules and regulations pursuant to the A.P.A. for the purpose of implementing the limitation of the availability of the deduction.

Proposed law defines a "qualified individual with a disability" as either of the following:

- (1) A person with a severe, chronic disability attributable to an intellectual or physical impairment or combination of these impairments that is manifested before the age of 22 and is likely to continue indefinitely which results in substantial functional limitations. A qualified individual with a disability shall include individuals who have been determined to be eligible for services through the Office for Citizens with Developmental Disabilities or the Home and Community Based Waiver programs.
- (2) An individual who has a service-connected disability rating of 50% or more as designated by the U.S. Dept. of Veterans Affairs.

Proposed law provides that the amount of the deduction is equal to 50% of the gross wages paid to a qualified disabled individual during the first four continuous months of employment and 30% of the gross wages paid to the individual during each subsequent continuous month of employment. Further provides that the taxpayer is entitled to the deduction for each qualified disabled individual he employs each taxable year.

Proposed law requires the taxpayer claiming the deduction to maintain all records necessary to verify that the employer and the qualified disabled individual for which the taxpayer is claiming the deduction meets all of the requirements as provided for in proposed law.

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

(Adds R.S. 47:297.13)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Require that the qualified individual with a disability be paid at a rate comparable to and in the same setting as other employees performing the same or similar task for the employer to be eligible to receive the income tax deduction.
2. Clarify which programs an individual may receive services through to be considered a qualified individual for purposes of the deduction.