

2017 Regular Session

SENATE BILL NO. 174

BY SENATOR MORRELL

TAX/TAXATION. Provides for a deduction for individual and corporate income tax for certain disaster payments. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:293(9)(a)(i) and (10), and 287.738(G), relative to income tax
3 deductions; to provide for a deduction from individual and corporation income tax
4 for disaster recovery benefits received from state and federal agencies; to provide for
5 a transition rule; 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. 47:293(9)(a)(i) and (10), and 287.738(G) are hereby amended and
8 reenacted to read as follows:

9 §293. Definitions

10 The following definitions shall apply throughout this Part, unless the context
11 requires otherwise:

12 * * *

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

17 (i) Any gratuitous grant, loan, or other benefit directly or indirectly provided

1 to a taxpayer by a hurricane recovery entity, or federal or state agency or recovery
2 authority if such disaster recovery benefit was included in federal adjusted gross
3 income.

4 * * *

5 (10) "Tax table income", for nonresident individuals, means the amount of
6 Louisiana income, as provided in this Part, allocated and apportioned under the
7 provisions of R.S. 47:241 through 247, plus the total amount of the personal
8 exemptions and deductions already included in the tax tables promulgated by the
9 secretary under authority of R.S. 47:295, less the proportionate amount of the federal
10 income tax liability, excess federal itemized personal deductions, the temporary
11 teacher deduction, the recreation volunteer and volunteer firefighter deduction, the
12 construction code retrofitting deduction, any gratuitous grant, loan, or other benefit
13 directly or indirectly provided to a taxpayer by a hurricane recovery entity, or
14 federal or state agency or recovery authority if such disaster recovery benefit
15 was included in federal adjusted gross income, the exclusion provided for in R.S.
16 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by I.R.C.
17 Section 280C, the deduction for net capital gains, and personal exemptions and
18 deductions provided for in R.S. 47:294. The proportionate amount is to be
19 determined by the ratio of Louisiana income to federal adjusted gross income. When
20 federal adjusted gross income is less than Louisiana income, the ratio shall be one
21 hundred percent.

22 * * *

23 §287.738. Other inclusions and exclusions from gross income

24 * * *

25 G. Deduction for hurricane recovery benefits. ~~Seventy-two percent of any~~
26 Any gratuitous grant, loan, or other benefit directly or indirectly provided to a
27 taxpayer by a federal or state agency or recovery authority, or a hurricane
28 recovery entity as defined in R.S. 47:293 shall be allowed as a deduction if such
29 disaster recovery benefit was included in federal ~~adjusted gross~~ income.

1 Section 2. The provisions of this Act shall apply to all taxable periods beginning on
2 or after January 1, 2016. In the event that a disaster recovery benefit from a state or federal
3 agency or recovery authority was included in a taxpayer's 2016 income subject to taxation,
4 the taxpayer may amend the 2016 state income tax return to deduct these benefits.

5 Section 3. This Act shall become effective upon signature by the governor or, if not
6 signed by the governor, upon expiration of the time for bills to become law without signature
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
9 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 Leonore Heavey.

	DIGEST	
SB 174 Original	2017 Regular Session	Morrell

Present law provides a deduction for state individual and corporation income tax for benefits received from a hurricane recovery entity.

Proposed law broadens the deduction to include disaster benefits received from any state or federal agency or recovery authority.

Proposed law provides for a transition rule to allow taxpayers who received disaster recovery benefits in 2016 to amend their 2016 tax returns if the benefits were included in taxable income.

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

(Amends R.S. 47:293(9)(a)(i) and (10), and 287.738(G))