

2017 Regular Session

HOUSE BILL NO. 501

BY REPRESENTATIVE STOKES

TAX/INCOME TAX: Changes the rates and brackets for purposes of calculating individual income tax liability and eliminates certain deductions and credits

1 AN ACT

2 To amend and reenact R.S. 47:32(A), 79, 93(B), 241, 293(3) and (10), 295(B), 300.6(A) and
3 300.7(A), to enact R.S. 47:55(6) and 293(9)(a)(xviii), and to repeal R.S. 47:55(5),
4 293(4) and (9)(a)(ii), 294, 296.1(B)(3)(c), 297(D), 298, and 6025, relative to the
5 individual income tax; to provide for the calculation of individual income tax
6 liability; to provide for the rates and brackets for individual income tax; to provide
7 for certain deductions and credits; to reduce certain deductions and credits; to reduce
8 the amount of the deduction allowed for excess federal itemized personal deductions
9 and personal exemptions and credits for dependents; to repeal the deductibility of
10 federal income taxes paid for purposes of calculating individual income tax; to repeal
11 the tax credit for certain educational expenses; to repeal the tax credit for Louisiana
12 citizens property insurance corporation assessments; to provide for applicability; to
13 provide for effectiveness; and to provide for related matters.

14 Be it enacted by the Legislature of Louisiana:

15 Section 1. R.S. 47:32(A), 79, 93(B), 241, 293(3) and (10), 295(B), 300.6(A) and
16 300.7(A) are hereby amended and reenacted and R.S. 47:55(6) and 293(9)(a)(xviii) are
17 hereby enacted to read as follows:

18 §32. Rates of tax

19 A. On individuals. The tax to be assessed, levied, collected and paid upon
20 the taxable income of an individual shall be computed at the following rates:

1 (1) ~~Two percent~~ No tax shall be assessed on that portion of the first twelve
 2 thousand five hundred dollars of net income ~~which is in excess of the credits against~~
 3 ~~net income provided for in R.S. 47:79;~~

4 (2) ~~Four percent on the next thirty-seven thousand five hundred dollars of~~
 5 ~~net income;~~

6 (3) ~~Six percent on any amount of net income in excess of fifty thousand~~
 7 ~~dollars of net income.~~ Three and ninety-five one hundredths of one percent on net
 8 income in excess of twelve thousand five hundred dollars.

9 * * *

10 §55. Deductions from gross income; taxes generally

11 In computing net income, there shall be allowed as deductions all taxes paid
 12 or accrued within the taxable year except:

13 * * *

14 (6) Federal income taxes paid on individual income.

15 * * *

16 §79. Credits of individuals against net income

17 A. Personal exemption.

18 (1) ~~An exemption of twenty-five hundred dollars is allowed for the taxpayer;~~
 19 ~~and an additional exemption of twenty-five hundred dollars is allowed for the spouse~~
 20 ~~of the taxpayer if a separate return is made by the taxpayer, and if the spouse has no~~
 21 ~~gross income and is not the dependent of another taxpayer for the calendar year in~~
 22 ~~which the taxable year of the taxpayer begins. A person who occupied status as head~~
 23 ~~of family during the entire taxable year is allowed an exemption of five thousand~~
 24 ~~dollars.~~

25 (2) ~~In addition to the exemptions above provided for, an~~ An exemption of
 26 one thousand dollars is allowed for the taxpayer who is blind or who has sustained
 27 the loss of one or more limbs or who has an intellectual disability or who is deaf. As
 28 used herein the word "blind" shall mean and refer to ~~persons who have been~~
 29 ~~determined by a qualified ophthalmologist or optometrist to have no vision or to~~

CODING: Words in struck through type are deletions from existing law; words underscored are additions.

1 ~~have vision which is insufficient for use in an occupation or activity for which sight~~
2 ~~is essential.~~ a person who, after examination by a licensed physician skilled in
3 diseases of the eye or by a licensed optometrist, has been determined to have not
4 more than 20/200 central visual acuity in the better eye with correcting lenses, or an
5 equally disabling loss of the visual field as evidenced by a limitation to the field of
6 vision in the better eye to such a degree that its widest diameter subtends an angle
7 of no greater than twenty degrees. For purposes herein, the word "deaf" shall be
8 defined as in ~~Paragraph (B)(5)~~ Subsection B of this Section. Each person claiming
9 an exemption under the provisions of this ~~Paragraph~~ Section shall be able to prove
10 such claim by certificate of a qualified physician or optometrist.

11 B. Credit Deductions for dependents.

12 ~~(1) In general. A credit of four hundred dollars is allowed for each~~
13 ~~dependent (as defined in Subsection C of this Section);~~

14 ~~(a) whose gross income for the calendar year in which the taxable year of the~~
15 ~~taxpayer begins is less than \$600 or~~

16 ~~(b) who is a child of the taxpayer and who (i) has not attained the age of~~
17 ~~nineteen at the close of the calendar year in which the taxable year of the taxpayer~~
18 ~~begins, or (ii) is a student.~~

19 ~~(2) Credit denied in case of certain married dependents. No credit is allowed~~
20 ~~under this Subsection for any dependent who has made a joint return with his spouse~~
21 ~~under R.S. 47:101(B), for the taxable year beginning in the calendar year in which~~
22 ~~the taxable year of the taxpayer begins.~~

23 ~~(3) Child defined. For purposes of this Subparagraph (B)(1)(b) of this~~
24 ~~Subsection, the term "child" means an individual who (within the meaning of~~
25 ~~Subsection C of this Section) is a son, stepson, daughter, or stepdaughter of the~~
26 ~~taxpayer.~~

27 ~~(4) Student and educational institution defined. For purposes of Item~~
28 ~~(B)(1)(b)(ii) of this Subsection, the term "student" means an individual who during~~

1 each of five calendar months during the calendar year in which the taxable year of
2 the taxpayer begins;

3 (a) is a full-time student at an educational institution; or

4 (b) is pursuing a full-time course of institutional on-farm training under the
5 supervision of an accredited agent of an educational institution or of a state or
6 political subdivision of a state. For purposes of this Subsection, the term
7 "educational institution" means only an educational institution which normally
8 maintains a regular faculty and curriculum and normally has a regularly organized
9 body of students in attendance at the place where its educational activities are carried
10 on.

11 ~~(5) Credit for certain dependents.~~ (1) A credit deduction of one thousand
12 dollars is allowed for each dependent as defined in ~~Subsection C of this Section~~
13 allowed in determining federal income tax liability who is blind or deaf or who has
14 sustained the loss of one or more limbs or who has an intellectual disability. As
15 herein used the word "blind" shall be defined as in ~~Paragraph (A)(2)~~ Subsection A
16 of this Section. For purposes herein, the word "deaf" shall mean and refer to persons
17 whose hearing is so impaired that it is insufficient for use in an occupation or activity
18 for which hearing is essential. The taxpayer claiming ~~credit~~ the deduction as herein
19 provided shall be able to prove such claim by certificate of a qualified physician or
20 optometrist issued for each such dependent for which a ~~credit~~ deduction is claimed.

21 (2) In addition to the deduction authorized in Paragraph (1) of this
22 Subsection, an additional deduction of one thousand dollars shall be allowed for each
23 dependent as allowed in determining federal income tax liability.

24 C. ~~Dependent defined.~~

25 ~~(1) General definition.~~ For purposes of this Chapter, the term "dependent"
26 means any of the following individuals over half of whose support, for the calendar
27 year in which the taxable year of the taxpayer begins, was received from the taxpayer
28 (or is treated under Paragraph (C)(3) of this Subsection as received from the
29 taxpayer):

- 1 ~~(a) a son or daughter of the taxpayer, or a descendant of either,~~
2 ~~(b) a stepson or stepdaughter of the taxpayer,~~
3 ~~(c) a brother, sister, stepbrother, or stepsister of the taxpayer,~~
4 ~~(d) the father or mother of the taxpayer, or an ancestor of either,~~
5 ~~(e) a stepfather or stepmother of the taxpayer,~~
6 ~~(f) a son or daughter of a brother or sister of the taxpayer,~~
7 ~~(g) a brother or sister of the father or mother of the taxpayer,~~
8 ~~(h) a son-in-law, daughter-in-law, father-in-law, mother-in-law,~~
9 ~~brother-in-law, or sister-in-law of the taxpayer,~~
10 ~~(i) an individual who, for the taxable year of the taxpayer, has as his~~
11 ~~principal place of abode the home of the taxpayer and is a member of the taxpayer's~~
12 ~~household, or~~
13 ~~(j) an individual who,~~
14 ~~(i) is a descendant of a brother or sister of the father or mother of the~~
15 ~~taxpayer,~~
16 ~~(ii) for the taxable year of the taxpayer received institutional care required~~
17 ~~by reason of a physical or mental disability, and~~
18 ~~(iii) before receiving such institutional care, was a member of the same~~
19 ~~household as the taxpayer.~~
20 ~~(2) Rules relating to general definition. For purposes of this Section the rules~~
21 ~~set forth below will apply.~~
22 ~~(a) The terms "brother" and "sister" include a brother or sister by the~~
23 ~~halfblood.~~
24 ~~(b) In determining whether any of the relationships specified in this Section~~
25 ~~exists, a child legally adopted by an individual shall be treated as if he were the child~~
26 ~~of such individual by blood.~~
27 ~~(c) The term "dependent" does not include any individual who is not a citizen~~
28 ~~of the United States unless such individual is a resident of the United States, of a~~
29 ~~country contiguous to the United States, of the Canal Zone, or of the Republic of~~

1 Panama. ~~The preceding sentence shall not exclude from the definition of~~
2 ~~"dependent" any child of the taxpayer born to him, or legally adopted by him, in the~~
3 ~~Philippine Islands before January 1, 1956, if the child is a resident of the Republic~~
4 ~~of the Philippines, and if the taxpayer was a member of the Armed Forces of the~~
5 ~~United States at the time the child was born to him or legally adopted by him.~~

6 (d) ~~A payment to a wife which is includible in the gross income of the wife~~
7 ~~under R.S. 47:42(C) shall not be treated as a payment by her husband for the support~~
8 ~~of any dependent.~~

9 (3) ~~Multiple support agreements. For purposes of Paragraph (C)(1) of this~~
10 ~~Subsection, over half of the support of an individual for a calendar year shall be~~
11 ~~treated as received from the taxpayer if:~~

12 (a) ~~no one person contributed over half of such support;~~

13 (b) ~~over half of such support was received from persons each of whom, but~~
14 ~~for the fact that he did not contribute over half of such support, would have been~~
15 ~~entitled to claim such individual as a dependent for a taxable year beginning in such~~
16 ~~calendar year;~~

17 (c) ~~the taxpayer contributed over ten per cent of such support; and~~

18 (d) ~~each person described in Subparagraph (C)(3)(b) of this Section (other~~
19 ~~than the taxpayer) who contributed over ten per cent of such support files a written~~
20 ~~declaration (in such manner and form as the collector may by regulations prescribe)~~
21 ~~that he will not claim such individual as a dependent for any taxable year beginning~~
22 ~~in such calendar year.~~

23 (4) ~~Special support test in case of students. Amounts received as~~
24 ~~scholarships for study at an educational institution by an individual who is:~~

25 (a) ~~a son, stepson, daughter, or stepdaughter of the taxpayer (within the~~
26 ~~meaning of this Section), and~~

27 (b) ~~a student, shall not be taken into account in determining whether such~~
28 ~~individual received more than half of his support from the taxpayer.~~

1 ~~D. Exception for certain heads of families. If the taxpayer would not occupy~~
 2 ~~the status of head of family except by reason of there being one or more dependents~~
 3 ~~for whom he would be entitled to credit under Subsection C above the credit under~~
 4 ~~such paragraph shall be disallowed with respect to one of such dependents.~~

5 E. Limitation on portion of credit deduction allowable. There shall be
 6 allowed only that portion of the ~~credits~~ deductions set forth in the preceding
 7 Subsections of this Section which the net income of the individual taxable under this
 8 Chapter bears to the total net income of such individual.

9 * * *

10 §93. Period for which deductions and credits shall be taken

11 * * *

12 B. The proper year in which to claim deductions for federal income and
 13 excess profits taxes allowable under the provisions of R.S. 47:55 shall be determined
 14 as follows, regardless of the method of accounting regularly employed by the
 15 taxpayer:

16 (1) The amount of tax shown to be due upon the federal income tax return
 17 of the corporation and fiduciary taxpayer, as filed, shall be allowed as a deduction
 18 ~~in~~ on the state corporation and fiduciary income tax return for the same period as that
 19 for which such federal return is filed.

20 (2) Federal income and excess profits taxes paid after the filing of the federal
 21 return in addition to the amount disclosed to be due by the return as filed shall be
 22 allowed as a deduction ~~in~~ on the state corporation and fiduciary income tax return for
 23 that period if it is not prescribed. If it is prescribed, the deduction for such additional
 24 taxes shall be allowed as a deduction ~~in~~ on the state return for the period in which
 25 such additional tax is paid. ~~This Subsection shall apply to all such payments after~~
 26 ~~December 31, 1973.~~

27 * * *

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are additions.

1 §241. Net income subject to tax

2 A. The net income of a nonresident individual ~~or a corporation~~ subject to the
3 tax imposed by this Chapter shall be the sum of the net allocable income earned
4 within or derived from sources within this state, as defined in R.S. 47:243, and the
5 net apportionable income derived from sources in this state, as defined in R.S.
6 47:244; ~~less the amount of federal income taxes attributable to the net allocable~~
7 ~~income and net apportionable income derived from sources in this state. The amount~~
8 ~~of federal income taxes to be so deducted shall be that portion of the total federal~~
9 ~~income tax which is levied with respect to the particular income derived from~~
10 ~~sources in this state to be computed in accordance with rules and regulations of the~~
11 ~~collector of revenue. Proper adjustment shall be made for the actual tax rates~~
12 ~~applying to different classes of income and for all differences in the computation of~~
13 ~~net income for purposes of federal income taxation as compared to the computation~~
14 ~~of net income under this Chapter. Where the allocation of the tax is to be based on~~
15 ~~a ratio of the amount of net income of a particular class, both the numerator and the~~
16 ~~denominator of the fraction used in determining the ratio shall be computed on the~~
17 ~~basis that such net income is determined for federal income tax purposes.~~

18 B. The net income of a corporation subject to the tax imposed by this
19 Chapter shall be the sum of the net allocable income earned within or derived from
20 sources within this state, as defined in R.S. 47:243, and the net apportionable income
21 derived from sources in this state, as defined in R.S. 47:244, less the amount of
22 federal income taxes attributable to the net allocable income and net apportionable
23 income derived from sources in this state. The amount of federal income taxes to be
24 so deducted shall be that portion of the total federal income tax which is levied with
25 respect to the particular income derived from sources in this state to be computed in
26 accordance with rules and regulations of the collector of revenue. Proper adjustment
27 shall be made for the actual tax rates applying to different classes of income and for
28 all differences in the computation of net income for purposes of federal income
29 taxation as compared to the computation of net income under this Chapter. Where

1 the allocation of the tax is to be based on a ratio of the amount of net income of a
2 particular class, both the numerator and the denominator of the fraction used in
3 determining the ratio shall be computed on the basis that such net income is
4 determined for federal income tax purposes.

5 * * *

6 §293. Definitions

7 The following definitions shall apply throughout this Part, unless the context
8 requires otherwise:

9 * * *

10 (3) "Excess federal itemized personal deductions" for the purposes of this
11 Part, means ~~the following percentages~~ one hundred percent of the amount by which
12 the federal itemized personal deductions exceed the amount of federal standard
13 deductions which is designated for the filing status used for the taxable period on the
14 individual income tax return required to be filed~~;~~. No deduction shall be allowed on
15 the first twelve thousand five hundred dollars of excess federal itemized personal
16 deductions for single filers and twenty-five thousand dollars for taxpayer filing joint
17 returns. State income taxes paid by a taxpayer shall not be included as a federal
18 itemized deduction.

19 (a) ~~For tax years beginning during calendar year 2007, fifty-seven and one~~
20 ~~half percent of such excess federal itemized personal deductions.~~

21 (b) ~~For tax years beginning during calendar year 2008, sixty-five percent of~~
22 ~~such excess federal itemized personal deductions.~~

23 (c) ~~For all tax years beginning on and after January 1, 2009, one hundred~~
24 ~~percent of such excess federal itemized personal deductions.~~

25 * * *

26 (9)(a) "Tax table income", for resident individuals, means adjusted gross
27 income plus interest on obligations of a state or political subdivision thereof, other

1 than Louisiana and its municipalities, title to which obligations vested with the
2 resident individual on or subsequent to January 1, 1980, and less:

3 * * *

4 (xviii) State income tax refunds.

5 * * *

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

24 * * *

25 B. The secretary shall establish tax tables that calculate the tax owed by
26 taxpayers based upon where their taxable income falls within a range that shall not
27 exceed two hundred fifty dollars. ~~The secretary shall provide in the tax tables that~~
28 ~~the combined personal exemption, standard deduction, and other exemption~~
29 ~~deductions in R.S. 47:294 shall be deducted from the two percent bracket. If such~~

1 ~~combined exemptions and deductions exceed the two percent bracket, the excess~~
2 ~~shall be deducted from the four percent bracket. If such combined exemptions and~~
3 ~~deductions exceed the two and four percent brackets, the excess shall be deducted~~
4 ~~from the six percent bracket.~~

5 * * *

6 §300.6. Louisiana taxable income of resident estate or trust

7 A. Definition. "Louisiana taxable income" of a resident estate or trust means
8 the taxable income of the estate or trust determined in accordance with federal law
9 for the same taxable year, as specifically modified by the provisions contained in
10 Subsection B of this Section, less a federal income tax deduction to be computed
11 ~~following the provisions of R.S. 47:287.83 and 287.85.~~ in accordance with the
12 following provisions:

13 (1) In computing Louisiana taxable income, no federal income tax deduction
14 shall be allowed on net income upon which no Louisiana income tax has been
15 incurred, or upon which, for any reason whatsoever, no Louisiana income tax will
16 be paid. When computing Louisiana taxable income, the secretary may consider
17 reductions to the federal income tax deduction in accordance with the provisions of
18 this Paragraph.

19 (2) The alternative minimum tax is a federal income tax deductible to the
20 extent that it is applicable to regular federal taxable income. Any alternative
21 minimum tax paid on tax preference items shall not be deductible. In accordance
22 with the provisions of this Paragraph, the secretary may determine the deductible
23 portion of the alternative minimum tax.

24 (3) For purposes of this Section, federal income taxes shall include taxes
25 based on net income, accumulated earnings, war profits, excess profits, personal
26 holding company income, and tax from recomputation of investment credit. For
27 purposes of federal income taxation as compared to the computation of net income
28 under this Part, proper adjustment shall be made for the actual tax rates as applied
29 to different classes of income and for all differences in the computation of net

1 income. The amount of the federal income tax deduction shall be that portion of the
2 total federal income tax, after application of all credits, which is levied on income
3 derived solely from sources in this state as computed under the rules and regulations
4 prescribed by the secretary.

5 (4) As used in this Subsection, the term "credits" shall not include
6 overpayments of prior year taxes allowed as a credit, estimated tax payments or
7 similar prepayments, credit for prior year alternative minimum tax that is allowed as
8 a credit against the current regular federal income tax, or federal income tax credits
9 determined by the secretary to be presidential disaster area disaster relief credits.

10 * * *

11 §300.7. Louisiana taxable income of nonresident estate or trust

12 A. Definition. "Louisiana taxable income" of a nonresident estate or trust
13 means ~~such~~ the portion of the taxable income of the nonresident estate or trust
14 determined in accordance with federal law for the same taxable year, as specifically
15 modified by the provisions contained in Subsection C of this Section, that was earned
16 within or derived from sources within this state, less a federal income tax deduction
17 to be computed following the provisions of ~~R.S. 47:287.83 and 287.85~~ R.S. 47:300.6.

18 * * *

19 Section 2. R.S. 47:55(5), 293(4) and (9)(a)(ii), 294, 296.1(B)(3)(c), 297(D), 298, and
20 6025 are hereby repealed in their entirety.

21 Section 3. Notwithstanding the provisions of Section 8 of Act No. 125 of the 2015
22 Regular Session of the Legislature, R.S. 47:297(D)(2) as enacted by Section 5 of Act No.
23 125 of the 2015 Regular Session shall not become effective.

24 Section 4. The provisions of this Act shall be applicable to all taxable periods
25 beginning on and after January 1, 2018.

26 Section 5. This Act shall become effective on January 1, 2018, if the proposed
27 amendment of Article VII of the Constitution of Louisiana contained in the Act which
28 originated as House Bill No. _____ of this 2017 Regular Session of the Legislature is
29 approved at a statewide election and becomes effective.

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)]

HB 501 Original

2017 Regular Session

Stokes

Abstract: Changes the rates and brackets for purposes of calculating individual income tax liability, eliminates the standard and certain dependency deductions, and modifies the deduction for excess federal itemized personal deductions.

Present law provides for a tax to be assessed, levied, collected, and paid upon the taxable income of an individual at the following rates:

- (1) 2% on the first \$12,500 of net income;
- (2) 4% on the next \$37,500 of net income;
- (3) 6% on net income in excess of \$50,000.

Proposed law reduces individual income tax rates as follows:

- (1) From 2% on the first \$12,500 of net income to 0% on the first \$12,500 of net income.
- (2) From 4% on the next \$37,500 of net income to 3.95% on net income in excess of \$25,000.

Present law provides that all personal exemptions and deductions for dependents allowed in determining federal income tax liability shall be allowed in determining La. tax liability. Further provides for a combined personal exemption of \$4,500 for single, individual filers, \$9,000 for married, joint filers, \$4,500 for married, separate filers, and \$9,000 for filers who are the head of household.

Proposed law repeals present law.

Present law authorizes a credit of \$400 for each dependent who meets certain criteria.

Proposed law repeals present law in favor of a \$1,000 deduction for each dependent as defined in present law.

Present law authorizes an additional deduction of \$1,000 for each allowable exemption in excess of those required to qualify for the exemption allowable under present law. (R.S. 47:294(A))

Present law requires the secretary to establish tax tables that calculate the tax owed by taxpayers based upon where their taxable income falls within a range that does not exceed \$250. Further requires the secretary to provide in the tax tables the combined personal exemption, standard deduction, and other exemption deductions in present law which is deducted from the 2% bracket. If the combined exemptions and deductions exceed the 2% bracket, the excess is deducted from the 4% bracket, and then the 6% bracket.

Proposed law deletes the provisions authorizing the combined personal exemption, standard deduction, and other exemption deductions to be deducted from the income tax brackets.

Present law authorizes a deduction from individual income taxes for excess federal itemized personal deductions. The term "excess federal itemized personal deductions" is defined to mean the amount by which the federal itemized personal deductions exceed the amount of federal standard deduction designated for the filing status used for the taxable period on the individual income tax return.

Proposed law changes present law by prohibiting this deduction on the first \$12,500 of excess federal itemized personal deductions for single filers and \$25,000 for taxpayers filing joint returns. Proposed law also excludes state income taxes paid by a taxpayer from inclusion as a federal itemized deduction for purposes of this state deduction.

Present law defines "tax table income" for resident individuals as the adjusted gross income plus interest on certain state or political subdivision obligations less items such as gratuitous grants, loans, or other disaster benefits included in federal adjusted gross income, federal income tax liability, amount deposited into medical or educational savings accounts, and excess personal exemptions and deductions.

Proposed law retains present law but adds to the list of income not included in "tax table income" state income tax refunds.

Present law allows an individual taxpayer to claim an \$18 income tax credit for educational expenses for each dependent child attending kindergarten through 12th grade in La.

Proposed law repeals present law.

Present constitution and present law authorize a state deduction for federal income taxes paid for purposes of computing income taxes for the same period.

Proposed law repeals the present law provisions that authorize a state deduction for federal income taxes paid for purposes of calculating individual income taxes.

Present law provides for the computation of La. taxable income for a resident estate or trust, including provisions for the federal income tax deduction, limitations of deductions for net income, provisions for the federal deduction for alternative minimum tax, and the authority of the secretary of the Dept. of Revenue to consider reductions to the federal income tax deduction and the determination of the deductible portion of an alternative minimum tax.

Proposed law retains present law except as it applies to the deductibility of federal income taxes.

Present law authorizes an income tax credit equal to 25% of the amount of surcharges, market equalization charges, or assessments paid by a taxpayer in a taxable year as a result of the 2005 regular assessment or the emergency assessments levied due to Hurricanes Katrina and Rita by Louisiana Citizens Property Insurance Corporation.

Proposed law repeals present law.

Applicable to all taxable periods beginning on and after Jan. 1, 2018.

Effective on Jan. 1, 2018, if and when the proposed amendment of Article VII of the Constitution of La. contained in the Act which originated as House Bill No. ___ of this 2017 R.S. of the Legislature is adopted at a statewide election and becomes effective.

(Amends R.S. 47:32(A), 79, 93(B), 241, 293(3) and (10), 295(B), 300.6(A) and 300.7(A); Adds R.S. 47:55(6) and 293(9)(a)(xviii); Repeals R.S. 47:55(5), 293(4) and (9)(a)(ii), 294, 296.1(B)(3)(c), 297(D), 298, and 6025)