The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

DIGEST

SB 175 Engrossed | 2017 Regular Session | Morrell

Present law authorizes a deduction from state individual income tax for excess federal itemized deductions in excess of the federal standard deduction. Casualty losses resulting from a disaster are included in federal itemized deduction.

Proposed law authorizes a deduction of up to $10,000 for disaster losses for taxpayers whose losses were not reimbursed, who were not able to itemize deductions on their federal income tax returns, or who were not able to deduct all of their disaster losses on their federal income tax return due to certain casualty loss limitations.

Proposed law provides that taxpayers who incurred unreimbursed losses due to a major disaster in 2016 or 2017 may only claim this deduction on their 2017 income tax return, and allows a taxpayer who incurred unreimbursed disaster losses in both years to claim up to $10,000 per year.

Proposed law provides that if the taxpayer receives any reimbursement in a subsequent year for a loss for which the deduction provided by proposed law was claimed, the taxpayer shall file an amended individual income tax return for the year in which the deduction was claimed reducing the deduction by the amount of the reimbursement.

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

(Amends R.S. 47:293(10); adds R.S. 47:293(9)(a)(xviii) and 297.14)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Provides for a reduction of the deduction in the event of a reimbursement in a subsequent year related to the previous claimed deduction.

2. Makes technical changes.