SLS 17RS-613 ENGROSSED

2017 Regular Session

SENATE BILL NO. 240

BY SENATOR RISER

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TAX/INCOME/PERSONAL. Exempts flood or tornado victims from paying state individual income tax for the 2017 tax year. (gov sig)

AN ACT

2	To amend and reenact R.S. 47:293(10) and to enact R.S. 47:293(9)(a)(xviii) and 297.14,
3	relative to individual income tax exemptions; to provide for an exemption from
4	individual income tax for certain taxpayers who suffered losses due to a flood or
5	tornado in 2016; 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(10) is hereby amended and reenacted and R.S.
8	47:293(9)(a)(xviii) and 297.14 are hereby enacted 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:
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(xviii) For tax years beginning during 2017 only, the exemption for taxpayers incurring flood or tornado related casualty losses provided pursuant to R.S. 47:297.14.

\* \* \*

(10) "Tax table income", for nonresident individuals, means the amount of Louisiana income, as provided in this Part, allocated and apportioned under the provisions of R.S. 47:241 through 247, plus the total amount of the personal exemptions and deductions already included in the tax tables promulgated by the secretary under authority of R.S. 47:295, less the proportionate amount of the federal income tax liability, excess federal itemized personal deductions, the temporary teacher deduction, the recreation volunteer and volunteer firefighter deduction, the construction code retrofitting deduction, any gratuitous grant, loan, or other benefit directly or indirectly provided to a taxpayer by a hurricane recovery entity if such benefit was included in federal adjusted gross income, the exclusion provided for in R.S. 47:297.3 for S Bank shareholders, the deduction for expenses disallowed by I.R.C. Section 280C, the deduction for net capital gains, the 2017 exemption for taxpayers incurring flood or tornado related casualty losses provided pursuant to R.S. 47:297.14, and personal exemptions and deductions provided for in R.S. 47:294. The proportionate amount is to be determined by the ratio of Louisiana income to federal adjusted gross income. When federal adjusted gross income is less than Louisiana income, the ratio shall be one hundred percent.

\* \* \*

## §297.14. Exemption from income for 2017; income of taxpayers incurring flood or tornado related casualty losses

A. For tax years beginning in 2017 only, there shall be allowed an exemption from income for all individual income taxpayers who incurred ten thousand dollars or more of casualty losses arising from a flood or tornado for which a major disaster was declared in this state in 2016.

B. The amount of the exemption from income shall be fifty thousand

1 dollars. In the case of a joint return, the amount of the exemption from income 2 shall be one hundred thousand dollars. 3 C. Definitions. (1) "Casualty loss" means the difference between the taxpayer's personal use property's value immediately before and immediately 4 after the casualty. 5 (2) "Major disaster" means a flood or tornado in this state declared by 6 the president to be a major disaster under the provisions of the Robert T. 7 8 Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. §§ 5121-5207 9 that occurred on or after January 1, 2016, and before March 1, 2017. 10 (3) "Personal use property" means the taxpayer's principal residence, 11 household goods, and personal use motor vehicles. 12 D. This exemption shall be applicable irrespective of any reimbursement, 13 grant, compensation, or federal tax benefit received by the taxpayer who incurred the flood or tornado related casualty losses. 14 Section 2. This Act shall become effective upon signature by the governor or, if not 15 signed by the governor, upon expiration of the time for bills to become law without signature 16 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 17 vetoed by the governor and subsequently approved by the legislature, this Act shall become 18 19 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 240 Engrossed

2017 Regular Session

Riser

Present law provides that in any taxable year, individuals domiciled, residing, or having a permanent place of abode in Louisiana shall be taxed upon all income from whatever source derived.

Proposed law authorizes an individual income tax exemption for taxpayers who incurred flood or tornado related disaster losses in 2016 or January or February of 2017 of \$10,000 or more.

Proposed law provides that this exemption is only available for the 2017 tax year.

Proposed law provides that the amount of the exemption is \$100,000 for married couples filing a joint income tax return and \$50,000 for all other filing statuses.

<u>Proposed law</u> provides that this exemption is available whether or not the taxpayer received any type of compensation for the flood or tornado related casualty losses.

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

## <u>Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill</u>

- 1. Adds tornados to the disasters to which the deduction applies.
- 2. Extends deduction to losses incurred through February 28, 2017.