

2018 First Extraordinary Session

SENATE BILL NO. 2

BY SENATOR MORRELL

TAX/INCOME/PERSONAL. Authorizes an adjustment to the federal income tax deduction for certain net disaster losses.(Item # 9)(gov sig)

1 AN ACT

2 To enact R.S. 47:293(4)(d), relative to net disaster losses; to provide that the deduction from  
3 state income taxes for federal income tax shall not be reduced by the amount of  
4 certain federal net disaster losses; to provide for an effective date; and to provide for  
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:293(4)(d) is hereby enacted to read as follows:

8 §293. Definitions

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

11 \* \* \*

12 (4) "Federal income tax liability", for the purpose of this Part, means the total  
13 amount of tax due to the United States for the taxable period on the individual  
14 income tax return required to be filed by any taxpayer, except that:

15 \* \* \*

16 **(d) For taxable years beginning on or after January 1, 2016, and before**  
17 **January 1, 2018, the federal income tax liability shall be increased by the**

1           **amount by which an individual's federal income tax due for the taxable period**  
2           **was reduced as a result of claiming a federal deduction for a net disaster loss for**  
3           **the same taxable period.**

4                                       \*       \*       \*

5           Section 2. 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.

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The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 2 Original                           2018 First Extraordinary Session                           Morrell

Present law provides that the deduction from state income taxes for federal income tax is the amount of federal income taxes paid less any federal income tax credits determined by the secretary of revenue to be disaster relief credits.

Proposed law provides that for taxable years beginning on or after January 1, 2016, and before January 1, 2018, the federal income tax deduction from state income taxes allowed for individuals will not be reduced by the amount of net disaster losses deducted on the person's federal income tax return for the same tax period.

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

(Adds R.S. 47:293(4)(d))