HLS 181ES-78 ENGROSSED

2018 First Extraordinary Session

HOUSE BILL NO. 10

1

BY REPRESENTATIVE JAMES

TAX/INCOME TAX: Modifies the term "federal income tax liability" to include certain federal net disaster losses (Item #9)

AN ACT

2	To enact R.S. 47:293(4)(d), relative to individual income tax; to define federal income tax
3	liability for purposes of calculating individual income tax liability; to require certain
4	federal disaster losses to be included in the calculation of federal income tax liability;
5	to provide for applicability; to provide for an effective date; and to provide for
6	related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. R.S. 47:293(4)(d) is hereby enacted to read as follows:
9	§293. Definitions
0	The following definitions shall apply throughout this Part, unless the context
1	requires otherwise:
12	* * *
13	(4) "Federal income tax liability", for the purpose of this Part, means the
4	total amount of tax due to the United States for the taxable period on the individual
15	income tax return required to be filed by any taxpayer, except that:
16	* * *
17	(d) For taxable periods beginning after December 31, 2014, and before
18	January 1, 2018, federal income tax liability shall be increased by the amount by
19	which an individual's federal income tax due to the United States for the taxable
20	period was decreased as a result of claiming the federal standard deduction or federal

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1 itemized deduction for certain net disaster losses as provided by Section 11028 of 2 United States Public Law 115-97. 3 4 Section 2. The provisions of Section 1 of this Act shall be retroactive and shall be 5 applicable to tax years beginning on January 1, 2015, but before January 1, 2018. 6 Section 3. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature 7 8 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 9 vetoed by the governor and subsequently approved by the legislature, this Act shall become

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)]

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effective on the day following such approval.

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2018 First Extraordinary Session

James

Abstract: Modifies the definition of "federal income tax liability" to include amounts for which an individual's federal income tax liability was decreased as a result of claiming the federal standard deduction or federal itemized deduction for certain net disaster losses as provided in <u>federal law</u>.

<u>Present law</u> defines "federal income tax liability", for purposes of the individual income tax, as the total amount of tax due to the U.S. for the taxable period on the individual income tax return required to be filed by any taxpayer, excluding social security and self-employment taxes.

<u>Present law</u> requires federal income tax liability to be increased by federal income tax credits determined by the secretary to be disaster relief credits.

<u>Present law</u> prohibits federal income tax rebates and credits received by a taxpayer for the 2008 tax year in accordance with <u>federal law</u> from reducing federal income tax liability.

<u>Proposed law</u> retains <u>present law</u> but requires that for taxable periods beginning after Dec. 31, 2014, and before Jan. 1, 2018, that federal income tax liability be increased by the amount to which an individual's federal income tax due to the U.S. for the taxable period was decreased as a result of claiming the federal standard deduction or federal itemized deduction for certain net disaster losses as provided in <u>federal law</u>.

Provisions of <u>proposed law</u> shall be retroactive and shall be applicable to tax years beginning Jan. 1, 2015, but before Jan. 1, 2018.

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

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

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Summary of Amendments Adopted by House

The Committee Amendments Proposed by <u>House Committee on Ways and Means</u> to the <u>original</u> bill:

1. Change the taxable periods to which the provisions of <u>proposed law</u> apply <u>from</u> Dec. 31, 2015 <u>to</u> Dec. 31, 2014.