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## DIGEST

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HB 530 Reengrossed

2019 Regular Session

Hodges

**Abstract:** Requires taxpayers who claim the earned income tax credit to affirm to the Dept. of Revenue that a qualifying child for which the credit is claimed meets certain residency requirements.

Present law authorizes a state individual income tax credit for 5% of the amount of the taxpayer's federal earned income tax credit through Dec. 31, 2025.

Proposed law retains present law and adds a requirement that in order to receive the tax credit, an eligible taxpayer must sign a statement on the tax return indicating that the qualifying child is physically present in the U.S. at the time the income tax return is filed for at least 180 days of the taxable year, or if born in the taxable year, the child was physically present in the U.S. for 50% of the taxable year or 180 calendar days, whichever is less.

Proposed law requires any taxpayer claiming a dependent on a tax return to provide a statement that the dependent has been physically present in the U.S. for at least six months of the taxable year. Exempts members of the U.S. armed services on active duty stationed outside the state from the provisions of proposed law which require a taxpayer to provide a statement that the dependent has been physically present in the U.S. for at least six months of the taxable year.

Proposed law authorizes the Dept. of Revenue to promulgate rules and regulations necessary to implement the provisions of proposed law.

Effective Jan 1, 2020, and applicable to all tax periods beginning on and after Jan. 1, 2020.

(Adds R.S. 47:101(C) and 297.8(A)(3) and (C))

### Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Require taxpayers claiming a dependent on a tax return to provide a statement that the dependent has been physically present in the U.S. for at least six months of the taxable year.
2. Remove authorization for the Dept. of Revenue to recapture the credit if the credit is

obtained in violation of proposed law.

3. Authorize rather than require the Dept. of Revenue to promulgate rules and regulations to implement proposed law.
4. Delete references to "other dependents" throughout proposed law as it relates to the earned income credit tax.

The House Floor Amendments to the engrossed bill:

1. Exempt members of the U.S. armed services on active duty stationed outside the state from the provisions of proposed law which require taxpayers claiming a dependent on a tax return to provide a statement that the dependent was physically present in the U.S. for at least six months of the taxable year.
2. Clarify that proposed law shall be applicable to all tax periods beginning on *and* after Jan. 1, 2020.