

2021 Regular Session

SENATE BILL NO. 56

BY SENATORS CARTER AND TARVER

TAX/INCOME/PERSONAL. Provides an individual income tax credit for individuals repaying student loan debt. (gov sig)

1 AN ACT

2 To enact R.S. 47:297.16, relative to individual income tax credits; to provide for a tax credit
3 for certain student loan debt; to provide for refundability; to authorize the secretary
4 of the Department of Revenue to adopt rules; to provide for effectiveness; and to
5 provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:297.16 is hereby enacted to read as follows:

8 **§297.16. Tax credit for student loan debt**

9 **A. (1) For taxable years beginning on and after January 1, 2021, there**
10 **shall be allowed a credit against the individual income tax liability of a taxpayer**
11 **for the repayment of student loan debt as defined by this Section.**

12 **(2) Taxpayers who have incurred student loan debt in their name and**
13 **have made payments on the loan during the taxable year shall be eligible to**
14 **claim the credit.**

15 **(3) In the case of a joint return, if both taxpayers have incurred student**
16 **loan debt and have made payments on the loan during the taxable year, each**
17 **taxpayer is eligible to claim the credit.**

debt to each claim the credit.

Proposed law defines "student loan" as a federally-guaranteed or state-guaranteed loan for the purposes of postsecondary education.

Proposed law authorizes a refund for the portion of the credit that exceeds the taxpayer's income tax liability.

Proposed law authorizes the secretary of revenue to issue regulations, forms, and instructions that may include documentation requirements necessary to determine a taxpayer's eligibility for the credit.

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

(Adds R.S. 47:297.16)