SLS 21RS-274

ORIGINAL

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	<u>§297.16. Tax credit for student loan debt</u>
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.

Page 1 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

SB 56 Original

1	(4) For purposes of the credit authorized by this Section, "student loan"
2	shall mean a federally-guaranteed or state-guaranteed loan for the purposes of
3	postsecondary education.
4	B. The amount of the credit shall be the actual amount of the student
5	loan payments made by the taxpayer during the taxable year or one thousand
6	dollars, whichever is less. If the amount of the credit authorized pursuant to this
7	Section exceeds the amount of tax liability for the tax year, the excess shall
8	constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary
9	shall make a refund of the overpayment from the current collections of the taxes
10	imposed by Chapter 1 or Chapter 5 of Subtitle II of this Title, together with
11	interest as provided in R.S. 47:1624.
12	C. The secretary of the Department of Revenue may promulgate rules
13	and regulations in accordance with the Administrative Procedure Act as well
14	as forms and instructions that may include a requirement that taxpayers submit
15	documentation with their returns or to specifically retain records that will
16	enable the department to determine the taxpayer's eligibility for, and amount
17	of the tax credit claimed, pursuant to this Section.
18	Section 2. This Act shall become effective upon signature by the governor or, if not
19	signed by the governor, upon expiration of the time for bills to become law without signature
20	by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
21	vetoed by the governor and subsequently approved by the legislature, this Act shall become
22	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 Curry Lann.

DIGEST 2021 Regular Session

Carter

<u>Proposed law</u> authorizes an individual income tax credit for the actual amount of the student loan payments made by the taxpayer during the taxable year, or \$1,000, whichever is less.

<u>Proposed law</u> authorizes taxpayers who have incurred student loan debt in their name and who have made payments on the loan to claim the credit.

Proposed law authorizes joint return filers that have both made payments on student loan

Page 2 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions. SLS 21RS-274

debt to each claim the credit.

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

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

<u>Proposed law</u> 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)