
DIGEST

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HB 299 Original

2021 Regular Session

James

Abstract: Increases the amount of the earned income tax credit from 5% to 10% and makes the 10% amount permanent.

Present law provides for an individual income tax credit based on the taxpayer's federal earned income tax credit authorized under Section 32 of the Internal Revenue Code. The amount of the credit is 5% of the amount of the taxpayer's federal earned income tax credit through Dec. 31, 2025. Beginning Jan. 1, 2026, the amount of the credit is 3.5% of the amount of the taxpayer's federal earned income tax credit.

Proposed law increases the amount of the state credit from 5% to 10% of the amount of the taxpayer's federal tax credit and eliminates the mandatory decrease in the amount of the credit in 2026, thereby making the 10% permanent.

Present law provides that if the credit amount exceeds the taxpayer's tax liability for the taxable year, the excess credit amount shall constitute an overpayment and shall be refunded to the taxpayer from the current collections of the taxes imposed under present law.

Proposed law retains present law.

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

(Amends R.S. 47:297.8)