

2021 Regular Session

HOUSE BILL NO. 660

BY REPRESENTATIVE HUGHES

TAX CREDITS: Increases the amount of the earned income tax credit for certain taxpayers for a specific period of time

1 AN ACT

2 To amend and reenact R.S. 47:297.8(A), relative to individual income tax credits; to provide  
3 for the amount of the earned income tax credit for certain taxpayers; to provide for  
4 requirements and limitations; to provide for an effective date; and to provide for  
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:297.8(A) is hereby amended and reenacted to read as follows:

8 §297.8. Earned income tax credit

9 A.(1) Except as provided in ~~Paragraph~~ Paragraphs (2) and (3) of this  
10 Subsection, there shall be a credit against the tax imposed by this Chapter for  
11 individuals in an amount equal to three and one-half percent of the federal earned  
12 income tax credit for which the individual is eligible for the taxable year under  
13 Section 32 of the Internal Revenue Code.

14 (2) ~~For~~ Except as provided for in Paragraph (3) of this Subsection, for tax  
15 years beginning on ~~and~~ or after January 1, 2019, through December 31, 2025, there  
16 shall be a credit against the tax imposed by this Chapter for individuals in an amount  
17 equal to five percent of the federal earned income tax credit for which the individual  
18 is eligible for the taxable year under Section 32 of the Internal Revenue Code.

19 (3) For tax years beginning on or after January 1, 2021, through December  
20 31, 2024, the amount of the tax credit authorized pursuant to the provisions of this

1        Section shall equal fifty percent of the federal earned income tax credit for which the  
2        individual is eligible for the taxable year under Section 32 of the Internal Revenue  
3        Code. However, the provisions of this Paragraph shall only apply to an individual  
4        taxpayer who does not have a qualifying child and who is at least eighteen years of  
5        age but less than twenty-five years of age or is at least sixty years of age.

6                                   \*        \*        \*

7        Section 2. This Act shall become effective upon signature by the governor or, if not  
8        signed by the governor, upon expiration of the time for bills to become law without signature  
9        by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
10       vetoed by the governor and subsequently approved by the legislature, this Act shall become  
11       effective on the day following such approval.

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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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HB 660 Original

2021 Regular Session

Hughes

**Abstract:** Increases the amount of the earned income tax credit from 5% to 50% of the amount of the taxpayer's federal earned income tax credit for a taxpayer who does not have a qualifying child and who is at least 18 years old but less than 25 years old or is at least 65 years old.

Present law provides for an individual income tax credit based on the taxpayer's federal earned income tax credit authorized under federal law (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 changes present law for an individual taxpayer who does not have a qualifying child and who is at least 18 years old but less than 25 years old or is at least 65 years old by increasing the amount of the earned income tax credit from 5% of the taxpayer's federal earned income tax credit to 50% of the taxpayer's federal earned income tax credit. The increased amount of the credit provided for in proposed law applies for tax years beginning on or after Jan. 1, 2021, through Dec. 31, 2024.

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(A))