

SENATE BILL NO. 31

BY SENATOR CATHEY

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AN ACT

To enact R.S. 47:293(9)(a)(xx) and 297.16, relative to individual income tax exemptions; to provide for an individual income tax exemption for digital nomads; to provide for definitions; to provide for eligibility requirements; to authorize the Department of Revenue to promulgate rules; to provide for record keeping requirements; to provide for recovery of the tax exemption by the Department of Revenue; to provide for effectiveness; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:293(9)(a)(xx) and 297.16 are hereby enacted to read as follows:

§293. Definitions

The following definitions shall apply throughout this Part, unless the context requires otherwise:

\* \* \*

(9)(a) "Tax table income", for resident individuals, means adjusted gross income plus interest on obligations of a state or political subdivision thereof, other than Louisiana and its municipalities, title to which obligations vested with the resident individual on or subsequent to January 1, 1980, and less:

\* \* \*

**(xx) The digital nomad exemption as provided for in R.S. 47:297.16.**

\* \* \*

**§297.16. Tax exemption; digital nomads; requirements; limitations**

**A. It is the intent of the Louisiana Legislature that the digital nomad tax exemption provided for in this Section be used primarily as an inducement for**

1 individuals to locate in Louisiana who will make significant contributions to the  
2 development of the economy of the state of Louisiana.

3 B.(1) There shall be an exemption from individual income taxes imposed  
4 by this Chapter of fifty percent of the gross wages of each taxpayer who  
5 qualifies as a digital nomad not to exceed one hundred fifty thousand dollars.

6 (2) The exemption shall apply for a period of up to two taxable years  
7 during taxable years 2022, 2023, 2024, and 2025.

8 (3) The exemption shall apply only to gross wages received from the  
9 services performed as a digital nomad.

10 (4) The exemption shall apply only to income that is earned from remote  
11 work.

12 (5) For purposes of this Section, the term "digital nomad" shall mean an  
13 individual who:

14 (a) Establishes residency in Louisiana after December 31, 2021.

15 (b) Is considered a covered person with major medical health insurance.

16 (c) Works remotely full-time for a nonresident business as provided for  
17 by rule by the secretary of the Department of Revenue.

18 (d) Is required to file a Louisiana resident or part-year resident  
19 individual income tax return for the taxable year in which the exemption is  
20 claimed.

21 (e) Has not established residency or domicile in Louisiana for any of the  
22 prior three years immediately preceding the establishment of residency or  
23 domicile after December 31, 2021.

24 (f) Has not been required to file a Louisiana resident or part-year  
25 resident individual income tax return for any of the prior three years.

26 (g) Performs the majority of employment duties in this state either  
27 remotely or at a coworking space.

28 C. For the purposes of this Section:

29 (1) "Covered person" means a policyholder, subscriber, enrollee, or  
30 other individual enrolled in or insured by a health insurance issuer for major

1 medical health insurance coverage.

2 (2) "Major medical health insurance coverage" means any hospital,  
3 health, or medical expense insurance policy, hospital or medical service  
4 contract, health and accident insurance policy, or any other contract of this type  
5 providing comprehensive major medical benefits, including a group insurance  
6 plan, or any policy of family group, blanket, or association health and accident  
7 insurance, a self-insurance plan, an employee welfare benefit plan, or a health  
8 maintenance organization subscriber agreement. The term "major medical  
9 health insurance" does not include publicly funded programs, including federal  
10 governmental benefit plans, that are wholly or partially funded by this state.

11 D. The taxpayer claiming the digital nomad exemption shall maintain all  
12 records necessary to verify that they meet the requirements of this Section.

13 E. The Department of Revenue shall limit the number of taxpayers  
14 eligible for the digital nomad exemption to five hundred individuals for the life  
15 of the program.

16 F. The Department of Revenue shall provide an annual written  
17 evaluation of the individual income tax exemption for digital nomads and its  
18 effectiveness in inducing individuals to locate in Louisiana and present its  
19 findings to the Senate Committee on Revenue and Fiscal Affairs and the House  
20 Committee on Ways and Means by January first of each year beginning in 2024.

21 G. Recovery by Department of Revenue.

22 (1) The tax exemption previously granted to a taxpayer under this  
23 Section, but later disallowed, may be recovered by the secretary of the  
24 Department of Revenue through any collection remedy authorized by R.S.  
25 47:1561 and initiated within three years from December thirty-first of the year  
26 in which the exemption was claimed.

27 (2) The only interest that may be assessed and collected on the recovered  
28 exemption is interest at a rate of three percentage points above the rate  
29 provided in R.S. 9:3500(B)(1), which shall be computed from the original due  
30 date of the return on which the exemption was claimed.

1                   **(3) The provisions of this Subsection are in addition to and shall not limit**  
 2                   **the authority of the secretary of the Department of Revenue to assess or to**  
 3                   **collect under any other provision of law.**

4                   **H. The Department of Revenue may promulgate rules in accordance**  
 5                   **with the Administrative Procedure Act to carry out the intent and purposes of**  
 6                   **this Section.**

7                   **I. There shall be no exemption pursuant to this Section for any wages**  
 8                   **earned by a digital nomad after December 31, 2025.**

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

\_\_\_\_\_  
 PRESIDENT OF THE SENATE

\_\_\_\_\_  
 SPEAKER OF THE HOUSE OF REPRESENTATIVES

\_\_\_\_\_  
 GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_