

2023 Regular Session

HOUSE BILL NO. 243

BY REPRESENTATIVE TARVER

TAX/INCOME-INDIV/CREDIT: Authorizes a one-time refundable individual income tax credit for certain Louisiana taxpayers

1 AN ACT

2 To enact R.S. 47:297.23, relative to individual income tax; to establish an income tax credit
3 for certain state taxpayers; to provide for the amount of the tax credit; to limit the
4 maximum amount of credits that may be paid; to provide for certain requirements
5 and limitations; to authorize the promulgation of rules; to provide for applicability;
6 to provide for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297.23 is hereby enacted to read as follows:

9 §297.23. Tax credit; Louisiana taxpayers

10 A.(1) There shall be allowed a one-time refundable tax credit against
11 Louisiana income tax for a portion of the income taxes paid by certain Louisiana
12 residents who were required to file a Louisiana individual income tax return for tax
13 year 2022. In order to be eligible for the tax credit, the resident's adjusted gross
14 income as defined in R.S. 47:293 as reported on the resident's 2022 Louisiana
15 individual income tax return shall be less than one hundred fifty thousand dollars.
16 Except as provided in Paragraph (2) of this Subsection, the amount of the credit shall
17 be as follows:

18 (a)(i) For a Louisiana resident whose adjusted gross income is less than one
19 hundred thousand dollars, one hundred twenty-five dollars.

1 (ii) For a Louisiana resident whose adjusted gross income is one hundred
2 thousand dollars or more but less than one hundred twenty-five thousand dollars, one
3 hundred dollars.

4 (iii) For a Louisiana resident whose adjusted gross income is one hundred
5 twenty-five thousand dollars or more but less than one hundred fifty thousand
6 dollars, seventy-five dollars.

7 (iv) No credit shall be paid to a Louisiana resident whose adjusted gross
8 income is one hundred fifty thousand dollars or more.

9 (b) In the case of a joint return filed by Louisiana residents who are husband
10 and wife pursuant to R.S. 47:101(B), both the husband and wife shall each qualify
11 for a credit if eligible in an amount based on their adjusted gross income as provided
12 for in this Paragraph.

13 (c) If the resident's Louisiana individual income tax return for tax year 2022
14 has not been filed at the time of applying for the credit authorized pursuant to the
15 provisions of this Section, the Louisiana individual income tax return for tax year
16 2021 may be used in lieu of the Louisiana individual income tax return for tax year
17 2022 to determine eligibility and the amount of the credit.

18 (2) The amount of the credit authorized pursuant to the provisions of
19 Paragraph (1) of this Subsection, shall be increased by one hundred twenty-five
20 dollars per dependent claimed by the Louisiana resident on the resident's Louisiana
21 individual income tax return filed for tax year 2022 for up to a maximum of two
22 dependents.

23 B.(1) The total amount of credits issued pursuant to the provisions of this
24 Section shall not exceed three hundred million dollars. The granting of credits shall
25 be on a first-come, first-served basis. All requests received on the same business day
26 shall be treated as received at the same time, and if the aggregate amount of the
27 requests received on a single business day exceeds the total amount of available tax
28 credits, tax credits shall be approved on a pro rata basis.

29 (2) If the tax credit earned pursuant to this Section exceeds the total tax
30 liability of a taxpayer in the taxable year, the amount of the credit not used as an

Proposed law provides that in the case of a joint return filed by La. residents who are husband and wife, both the husband and wife shall each qualify for a credit in the amount eligible based on their adjusted gross income as provided in proposed law.

Proposed law authorizes the amount of the one-time credit to be increased by \$125 per dependent claimed by the La. resident on the resident's La. individual income tax return for tax year 2022 for up to a maximum of two dependents.

Proposed law provides that if the La. resident's La. individual income tax return for tax year 2022 has not been filed at the time of applying for the credit, the La. individual income tax return for tax year 2021 may be used in lieu of the 2022 La. individual income tax return to determine eligibility and the amount of the credit.

Proposed law limits the total amount of credit issued to \$300M. Credits shall be granted on a first-come, first-served basis. All requests received on the same business day shall be treated as received at the same time, and if the aggregate amount of the requests received on a single business day exceeds the total amount of available credits, credits shall be approved on a pro rata basis.

Proposed law provides that if the amount of the tax credit earned exceeds the total tax liability of a taxpayer in the taxable year, the amount of the credit not used as an offset against the taxpayer's tax liability shall constitute an overpayment and shall be paid to the taxpayer from the current collections of income taxes.

Proposed law authorizes the secretary to promulgate rules in accordance with the Administrative Procedure Act, including emergency rules as deemed necessary to implement the provisions of proposed law.

Proposed law limits the claiming of the credit authorized in proposed law to individual tax returns filed for tax years 2022 or 2023.

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

(Adds R.S. 47:297.23)