

2023 Regular Session

HOUSE BILL NO. 632

BY REPRESENTATIVES KNOX AND WILLARD

TAX CREDITS: Establishes the Next Generation Tax Credit for taxpayers claiming a dependent five years of age or younger

1 AN ACT

2 To enact R.S. 47:297.23, relative to income tax credits; to establish an income tax credit for
3 certain dependents; to provide for the amount of the credit; to provide for certain
4 requirements and limitations; to provide for applicability; to provide for an effective
5 date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

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

8 §297.23. Next Generation Tax Credit; dependents five years of age or younger;
9 limitations

10 A.(1) There shall be allowed a credit against the tax imposed by this Chapter
11 for each child five years of age or younger claimed as a dependent by a taxpayer on
12 a Louisiana return. The amount of the credit shall be equal to two hundred fifty
13 dollars per child and may be claimed on a return for any tax year that the child is five
14 years of age or younger. In order to be eligible for the tax credit, the resident's
15 adjusted gross income as defined in R.S. 47:293 as reported on the resident's
16 Louisiana individual income tax return shall be less than forty thousand dollars
17 regardless of the filing status of the taxpayer.

18 (2) If the resident's Louisiana individual income tax return for tax year 2022
19 has not been filed at the time of applying for the credit authorized pursuant to the
20 provisions of this Section, the Louisiana individual income tax return for tax year

1 2021 may be used in lieu of the Louisiana individual income tax return for tax year
2 2022 to determine eligibility and the number of dependents that qualify for the
3 credit.

4 B. If the amount of the credit authorized pursuant to the provisions of this
5 Section exceeds the amount of the taxpayer's tax liability for the taxable year, the
6 excess tax credit amount shall constitute an overpayment as defined in R.S.
7 47:1621(A), and the secretary shall make a refund of the overpayment from the
8 current collections of the taxes imposed pursuant to this Chapter. The right to a
9 refund shall not be subject to the requirements of R.S. 47:1621(B).

10 Section 2. The provisions of this Act shall be applicable for taxable years beginning
11 on or after January 1, 2023.

12 Section 3. This Act shall become effective on July 1, 2023; if vetoed by the governor
13 and subsequently approved by the legislature, this Act shall become effective on July 1,
14 2023, or on the day following such approval by the legislature, whichever is later.

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)]

HB 632 Original

2023 Regular Session

Knox

Abstract: Establishes the Next Generation Tax Credit as a \$250 per child income tax credit for each child five years of age or younger claimed as a dependent by a taxpayer on a La. return.

Proposed law establishes an income tax credit for each child five years of age or younger claimed as a dependent by the taxpayer on a La. return. The amount of the credit shall be equal to \$250 per child and may be claimed on a return for any tax year that the child is five years of age or younger.

Proposed law prohibits a credit if the taxpayer's gross income exceeds \$40,000 regardless of the filing status of the taxpayer.

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 number of dependents that qualify for the credit.

Proposed law provides that if the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess credit amount shall constitute an overpayment and the secretary shall refund the overpayment from the tax collections imposed in present law.

Proposed law is applicable to taxable years beginning on or after Jan. 1, 2023.

Effective July 1, 2023.

(Adds R.S. 47:297.23)