
DIGEST

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HB 443 Engrossed

2023 Regular Session

Edmonds

Abstract: Authorizes a refundable income tax credit of \$5,000 for a taxpayer who adopts a child who is unrelated to the taxpayer and who is no more than two years of age.

Proposed law establishes a refundable income tax credit for a taxpayer who adopts a child who is unrelated to the taxpayer and who is no more than two years of age. For purposes of proposed law, the age of the child shall be determined at the time of the adoption placement.

Proposed law provides that the amount of the tax credit shall equal \$5,000 and shall be applicable in the year the adoption of the child becomes final.

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 prohibits the tax credit from applying to the adoption of a child from foster care as defined in present law (Ch. C Art. 603). Further prohibits a taxpayer from claiming the credit authorized pursuant to proposed law from also claiming the deduction authorized in present law (R.S. 47:297.21) for the adoption of the same child.

Proposed law requires a taxpayer claiming the credit to maintain all records necessary to verify the adoption and if requested, to provide the records to the Dept. of Revenue when filing the taxpayer's tax return.

Proposed law authorizes the promulgation of rules in accordance with present law (Administrative Procedure Act) to implement the provisions of proposed law, including rules related to the submission of documentation when claiming the credit.

Proposed law is applicable to adoptions finalized on or after Jan. 1, 2023.

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

(Adds R.S. 47:297.23)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original

bill:

1. Change the age of the adoption of a child to whom the credit is applicable from less than 18 years of age to no more than two years of age.
2. Make the adoption of a child from foster care ineligible for the credit established in proposed law.
3. Remove from proposed law the repeal of the income tax deduction for a taxpayer who adopts a child who is in foster care or a youth receiving extended foster care services.
4. Remove from proposed law the repeal of the income tax deduction for a taxpayer who adopts an infant who is unrelated to the taxpayer and who is less than one year of age through a private agency or who adopts an infant who is unrelated to the taxpayer and who is less than one year of age through an attorney.
5. Remove limitation that claiming the credit established in proposed law shall be in lieu of the dependency deduction authorized in present law (R.S. 47:294).
6. Add prohibition for a taxpayer to claim the credit established pursuant to proposed law and the deduction provided for in present law for the adoption of the same child.