



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **SB 230** SLS 23RS 631
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: June 5, 2023	6:56 PM	Author: ALLAIN
Dept./Agy.: Revenue		Analyst: Benjamin Vincent
Subject: Federal Income Tax Deduction: Hurricane Ida		

TAX/INCOME/PERSONAL EN DECREASE GF RV See Note Page 1 of 1
 Modifies the federal income tax deduction for taxpayers impacted by Hurricane Ida. (gov sig)

Proposed law increases individual taxpayers' federal income tax liability, for purposes of the federal income tax deduction, for claimed disaster losses during Hurricane Ida.

Effective upon governor's signature, and applicable retroactively and prospectively for taxable periods beginning on January 1, 2020, through December 31, 2021.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2023-24	2024-25	2025-26	2026-27	2027-28	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total		\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

LDR anticipates no direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

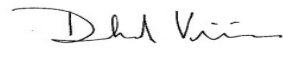
Proposed law would effectively reduce Louisiana income tax liabilities retroactively for taxable years 2020 and 2021, by increasing the amount of allowed federal income tax deduction for income in those years. Presumably these increased deductions would result in reduced Louisiana income tax liabilities, and would likely manifest as amended returns filed in FY24, the first year of the bill's effectiveness. This would result in refunds from current tax receipts in the fiscal year that amended returns are received.

The result of proposed law would be an indeterminable decrease in state general fund revenues. The magnitude of the decrease will depend on the total amount of net disaster losses claimed and the applicable federal income tax rate.

LFO assumes that virtually all of these will impact FY24 revenue collections, as reflected in the table above.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



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