

RÉSUMÉ DIGEST

Act 452 (HB 443)

2023 Regular Session

Edmonds

New 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 new law, the age of the child is determined at the time of the adoption placement.

New law provides that the amount of the tax credit is \$5,000 and applies in the year the adoption of the child becomes final.

New law provides that if the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess credit amount constitutes an overpayment and requires the secretary of the Dept. of Revenue to refund the overpayment from the tax collections imposed in existing law.

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

New 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.

New law authorizes the secretary of the Dept. of Revenue to promulgate rules in accordance with existing law (Administrative Procedure Act) to implement the provisions of new law, including rules related to the submission of documentation when claiming the credit.

New law prohibits the claiming of credits established pursuant to new law for any taxable year beginning after Dec. 31, 2028.

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

Effective upon signature of governor (June 29, 2023).

(Adds R.S. 47:297.23)