

2025 Regular Session

HOUSE BILL NO. 133

BY REPRESENTATIVE WILLARD

TAX CREDITS: Increases the amount of the earned income tax credit

1 AN ACT

2 To amend and reenact R.S. 47:297.8(A)(2), relative to individual income tax; to provide for
3 the earned income tax credit; to provide for the amount of the credit; to provide for
4 applicability; to provide for an effective date; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:297.8(A)(2) is hereby amended and reenacted to read as follows:

7 §297.8. Earned income tax credit

8 A.

9 * * *

10 (2) For tax years beginning on or after January 1, 2019, through December
11 31, 2030, there shall be a credit against the tax imposed by this Chapter for
12 individuals in an amount equal to ~~five~~ ten percent of the federal earned income tax
13 credit for which the individual is eligible for the taxable year under Section 32 of the
14 Internal Revenue Code.

15 * * *

16 Section 2. The provisions of this Act shall be applicable for tax years beginning on
17 or after January 1, 2026.

18 Section 3. This Act shall become effective on January 1, 2026.

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 133 Original

2025 Regular Session

Willard

Abstract: Increases the amount of the state earned income tax credit from 5% to 10% of the amount of the taxpayer's federal earned income tax credit through tax year 2030.

Present law provides for an individual income tax credit based on the taxpayer's federal earned income tax credit authorized under Section 32 of the Internal Revenue Code. The amount of the credit is 5% of the amount of the taxpayer's federal earned income tax credit through Dec. 31, 2030. Beginning Jan. 1, 2031, the amount of the credit is 3.5% of the amount of the taxpayer's federal earned income tax credit.

Proposed law retains present law but increases the amount of the state credit from 5% to 10% of the amount of the taxpayer's federal earned income tax credit through tax year 2030.

Present law provides that if the credit amount exceeds the taxpayer's tax liability for the taxable year, the excess credit amount shall constitute an overpayment and shall be refunded to the taxpayer from the current collections of the taxes imposed under present law.

Proposed law retains present law.

Proposed law applicable for tax years beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:297.8(A)(2))