

2025 Regular Session

HOUSE BILL NO. 166

BY REPRESENTATIVE MCMAKIN

TAX/INCOME TAX: Authorizes an individual income tax deduction for compensation earned by certain intercollegiate athletes for use of their name, image, or likeness

1 AN ACT

2 To amend and reenact R.S. 47:293(10) and to enact R.S. 47:293(9)(a)(ii) and 297.6, relative
3 to individual income tax; to authorize an individual income tax deduction for
4 compensation earned by certain athletes; to provide for the amount of the deduction;
5 to provide for definitions; to provide for certain requirements and limitations; to
6 authorize the promulgation of rules and regulations; to provide for applicability; to
7 provide for an effective date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 47:293(10) is hereby amended and reenacted and R.S.
10 47:293(9)(a)(ii) and 297.6 are hereby enacted to read as follows:

11 §293. Definitions

12 The following definitions shall apply throughout this Part, unless the context
13 requires otherwise:

14 * * *

15 (9)(a) "Tax table income", for resident individuals, means adjusted gross
16 income plus interest on obligations of a state or political subdivision thereof, other
17 than Louisiana and its municipalities, title to which obligations vested with the
18 resident individual on or subsequent to January 1, 1980, and less:

19 * * *

1 (ii) The deduction for compensation earned by an intercollegiate athlete for
2 use of the athlete's name, image, or likeness as provided for in R.S. 47:297.6.

3 * * *

4 (10) "Tax table income", for nonresident individuals, means the amount of
5 Louisiana income, as provided in this Part, allocated and apportioned under the
6 provisions of R.S. 47:241 through 247, less the proportionate amount of excess
7 federal itemized personal deductions; the temporary teacher deduction; the recreation
8 volunteer and volunteer firefighter deduction; the construction code retrofitting
9 deduction; any gratuitous grant, loan, or other benefit directly or indirectly provided
10 to a taxpayer by a hurricane recovery entity if such benefit was included in federal
11 adjusted gross income; any gratuitous grant, loan, rebate, tax credit, advance refund,
12 or other qualified disaster relief benefit directly or indirectly provided to a taxpayer
13 by the state or federal government as a COVID-19 relief benefit as defined in R.S.
14 47:297.16 if the benefit was included in the taxpayer's federal adjusted gross income;
15 the exclusion provided for in R.S. 47:297.3 for S Bank shareholders; salaries, wages,
16 or other compensation received for disaster or emergency-related work rendered
17 during a declared state disaster or emergency; wages of nonresident individuals who
18 are eligible for the mobile workforce exemption pursuant to R.S. 47:248; the
19 pass-through entity exclusion provided in R.S. 47:297.14; the exemption for military
20 survivor benefit plan payments pursuant to R.S. 47:297.17; the bonus depreciation
21 deduction provided for in R.S. 47:297.25; the deduction for compensation earned by
22 an intercollegiate athlete for use of the athlete's name, image, or likeness as provided
23 for in R.S. 47:297.6; and the standard deduction provided for in R.S. 47:294. The
24 proportionate amount is to be determined by the ratio of Louisiana income to federal
25 adjusted gross income. When federal adjusted gross income is less than Louisiana
26 income, the ratio shall be one hundred percent.

27 * * *

1 §297.6. Tax deduction; compensation earned by an intercollegiate athlete for use of
2 name, image, or likeness; requirements and limitations

3 A. There shall be allowed a deduction from tax table income for
4 compensation earned by an intercollegiate athlete while attending a postsecondary
5 education institution for use of the athlete's name, image, or likeness. The amount
6 of the deduction shall be equal to the actual amount of compensation earned by an
7 intercollegiate athlete for use of the intercollegiate athlete's name, image, or likeness.

8 B. For purposes of this Section, the following terms shall have the following
9 meanings unless the context clearly indicates otherwise:

10 (1) "Intercollegiate athlete" means a student enrolled in a postsecondary
11 education institution who participates in an athletic program.

12 (2) "Postsecondary education institution" means a Louisiana public
13 postsecondary education institution or nonpublic postsecondary education institution
14 that receives or disburses any form of state financial assistance, including
15 scholarships and grants.

16 C. The deduction authorized pursuant to the provisions of this Section shall
17 not apply to compensation earned by an intercollegiate athlete that is prohibited
18 pursuant to the provisions of R.S. 17:3703 and shall not apply to any compensation
19 earned by an intercollegiate athlete beyond his participation in an athletic program
20 at a postsecondary education institution.

21 D. The secretary of the Department of Revenue may promulgate rules and
22 regulations in accordance with the Administrative Procedure Act as are necessary to
23 implement the provisions of this Section.

24 Section 2. The provisions of this Act shall be applicable to compensation earned by
25 an intercollegiate athlete while attending a postsecondary education institution on or after
26 January 1, 2026.

27 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 166 Original

2025 Regular Session

McMakin

Abstract: Authorizes an individual income tax deduction for compensation earned by an intercollegiate athlete while attending a postsecondary education institution for the use of the athlete's name, image, or likeness.

Proposed law authorizes an individual income tax deduction for compensation earned by an intercollegiate athlete while attending a postsecondary education institution for use of the athlete's name, image, or likeness. The amount of the deduction shall be equal to the actual amount of compensation earned by an intercollegiate athlete for use of the athlete's name, image, or likeness.

Proposed law defines an "intercollegiate athlete" as a student enrolled in a postsecondary education institution who participates in an athletic program. Further defines a "postsecondary education institution" as a La. public postsecondary education institution or nonpublic postsecondary education institution that receives or disburses any form of state financial assistance, including scholarships and grants.

Proposed law excludes compensation earned by an intercollegiate athlete or paid to an intercollegiate athlete for use of the athlete's name, image, or likeness to endorse tobacco, alcohol, illegal substances or activities, banned athletic substances, or any form of gambling or gaming, including sports wagering or for compensation paid or earned beyond the athlete's participation in an athletic program at a postsecondary education institution.

Proposed law authorizes the secretary of the Dept. of Revenue to promulgate rules in accordance with the Administrative Procedure Act to implement the provisions of proposed law.

Proposed law applies to compensation earned by an intercollegiate athlete while attending a postsecondary education institution on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:293(10); Adds R.S. 47:293(9)(a)(ii) and 297.6)