
DIGEST

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HB 238 Original

2025 Regular Session

McFarland

Abstract: Provides requirements and standards relating to a tax deduction for adoption of children from foster care and a tax credit for donations to certain foster care charitable organizations.

Present law authorizes a tax deduction for adoption of children from foster care. Authorizes the secretary of the Dept. of Revenue (DOR) to promulgate rules to implement present law, including rules related to submission of documentation when claiming the deduction.

Proposed law retains present law and provides that if the rules of DOR require the submission of a deduction eligibility certification letter and the secretary of the department determines that the process of obtaining that letter is an impediment to, or causes an undue burden for, claiming of the deduction, then the secretary may amend the rules to provide for an alternative process for eligibility certification. Provides that the process may include certification on a standardized form.

Proposed law provides that certification of eligibility for the tax deduction may be on a standardized form promulgated in rule by the secretary of DOR.

Present law authorizes a tax credit for donations to certain foster care charitable organizations. Provides for defined terms and corresponding definitions applicable to present law, including a definition for "qualifying foster care charitable organization". Requires that an organization seeking to become a qualifying foster care charitable organization shall apply to DOR for that designation and provide with its application certain materials and information as specified in present law.

Proposed law provides that any nonprofit foster care organization licensed by and in good standing with the Dept. of Children and Family Services automatically qualifies as a "qualifying foster care charitable organization" by virtue of its state licensure and need not apply to the DOR for that designation.

Present law requires that, when claiming the credit, a taxpayer shall provide a copy of a receipt for the donation to a qualifying foster care charitable organization. Requires DOR to provide a standardized format for the receipt.

Proposed law repeals the requirement that DOR establish the format for these receipts and provides instead for required content of the receipts (content which matches that required for charitable donation receipts for federal income tax purposes).

Proposed law applies to taxable periods beginning on or after Jan. 1, 2025.

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

(Amends R.S. 47:297.20(C) and 6042(B)(intro. para.) and (1), (D), and (F)(4))