



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **SB 52** SLS 25RS 316
Bill Text Version: **ENGROSSED**
Opp. Chamb. Action:
Proposed Amd.:
Sub. Bill For.:

Date: April 24, 2025	9:30 AM	Author: MCMATH
Dept./Agy.: Department of Revenue		
Subject: Individual Income Tax Exemption: Fortify Homes Grants		Analyst: Noah O'Dell

TAX EXEMPTIONS EG -\$828,000 GF RV See Note Page 1 of 1
Provide an individual income tax exemption for grants from the Louisiana Fortify Homes Program. (gov sig)

Current law provides for the LA Fortify Homes Program that provides financial grants of \$10,000 to retrofit roofs for insurable properties that have a homestead exemption. The total amount of grants provided each fiscal year is subject appropriation of the Legislature. Current law provides for a flat tax rate of 3% to be paid on taxable income of an individual.

Proposed law authorizes an individual income tax exemption for the grant amount received from the LA Fortify Homes Program on or after January 1, 2025.

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

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	(\$828,000)	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	(\$828,000)
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$828,000)					(\$828,000)

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The bill is anticipated to decrease state general fund revenue by \$828,000 in FY26 when 2025 tax returns are filed. The bill exempts grants received from the LA Fortify Homes Program from state personal income tax. The actual revenue impact of the bill will depend on the amount and timing of disbursements from the LA Fortify Homes Fund, along with each individual taxpayer's effective income tax rate. Grant funding does not have a recurring source of revenue. To the extent additional funding and grants are provided to taxpayers, SGF revenue will decrease.

The Department of Insurance reports \$6,783,630 in grant monies have been distributed to date in 2025 and \$20,825,103 funds remain available for distribution in FY25 from the LA Fortify Homes Fund. The fiscal note assumes this amount is disbursed in the 2025 tax year which would render the anticipated impact of the bill a general fund decrease of approximately \$828,000 in FY26. This estimate assumes individual income is taxed at the 3% flat rate, all taxpayers claim the credit and the available grant funds are disbursed during tax year 2025.

Fortify home grants awarded prior to January 1, 2025 are not eligible for the tax exemption under the bill.

Note: A portion of the SGF impact may originate as the LDR retention of 1% of income collections initially classified as SGR but ultimately reverted to the SGF for use in the budget. Should LDR reversions cease, this could become an SGR impact.

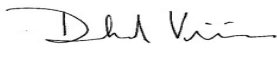
Senate

Dual Referral Rules

House

- ☐ 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
- ☒ 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

- ☐ 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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