The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST

SB 235 Reengrossed

2025 Regular Session

Duplessis

<u>Proposed law</u> authorizes an individual income tax credit for an individual taxpayer who pays an insurance policy premium for homeowner's insurance. Further requires that the taxpayer's household income shall not exceed an amount equal to 200% of the federal poverty guidelines.

<u>Proposed law</u> provides that the amount of the credit shall be equal to the insurance policy premium paid for homeowner's insurance for the taxpayer's primary residence, not to exceed \$2,000.

<u>Proposed law</u> provides that a resident individual who has a federal adjusted gross income equal or less than \$25,000 may be entitled to a refund, if the credit exceeds the tax liability for the taxable year. Further provides the overpayment shall be refunded from current collections by the secretary of the Dept. of Revenue imposed in <u>present law</u>.

<u>Proposed law</u> provides that a resident individual who has a federal adjusted gross income greater than \$25,000 is entitled to a credit carry forward if the tax credit exceeds the tax liability for the taxable year. Further limits the carry forward of excess tax credit to five years.

<u>Proposed law</u> limits the amount of credits that may be granted in a calendar year to \$10M. Further provides credits are issued on a first-come, first-served basis and that if the total amount of credits issued exceeds the amount of credits authorized for tax year, the excess is treated as having been applied for on the first day of the subsequent year.

Proposed law prohibits any credits from being earned after December 31, 2036.

<u>Proposed law</u> requires a taxpayer claiming the credit to maintain all documentation necessary to verify the amount of insurance premium paid during the calendar year for which the credit is claimed.

<u>Proposed law</u> authorizes the secretary of the Dept. of Revenue to promulgate rules in accordance with the APA to administer the credit.

Effective on January 1, 2026.

(Adds R.S. 47:297.26)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Clarifies that income is the taxpayer's household income.

Senate Floor Amendments to engrossed bill

- 1. Limit the amount of tax credits that may be granted in a calendar year to \$10M. Provide that the tax credits are issued on a first-come, first-served basis.
- 2. Provide if the total amount of tax credits applied for in any particular year exceeds the aggregate amount of tax credits allowed for that year, the excess shall be treated as having been applied for on the first day of the subsequent year.
- 3. Prohibit any credits from being earned after December 31, 2036.