

GREEN SHEET REDIGEST

HB 238

2025 Regular Session

McFarland

TAX/INCOME TAX: Provides relative to tax benefits for adoption of children from foster care and donations to foster care charitable organizations

DIGEST

Present law authorizes a tax deduction for amounts paid for tuition and fees required for a student's enrollment in a nonpublic elementary or secondary school or any public elementary or secondary laboratory school operated by a public college or university. In order to claim the deduction, the student must qualify for the dependency exemption on the taxpayer's Louisiana income tax return.

Proposed law repeals the provision requiring the student qualify for the dependency exemption on the taxpayer's Louisiana income tax return, instead requiring the student be claimed as a dependent on the taxpayer's federal income tax return and otherwise retains present law.

Present law authorizes a tax deduction for amounts paid for educational expenses paid for home-schooling of a child. In order to claim the deduction, the student must qualify for the dependency exemption on the taxpayer's Louisiana income tax return.

Proposed law repeals the provision requiring the student qualify for the dependency exemption on the taxpayer's Louisiana income tax return, instead requiring the student be claimed as a dependent on the taxpayer's federal income tax return and otherwise retains present law.

Present law authorizes a tax deduction for amounts paid which are associated with a student's enrollment in a public elementary or secondary school. In order to claim the deduction, the student must qualify for the dependency exemption on the taxpayer's Louisiana income tax return.

Proposed law repeals the provision requiring the student qualify for the dependency exemption on the taxpayer's Louisiana income tax return, instead requiring the student be claimed as a dependent on the taxpayer's federal income tax return and otherwise retains present law.

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.

Proposed law requires the Dept. of Children and Family Services to submit a report to DOR by January 31st each year listing all finalized adoptions from foster care during the previous calendar year. Further requires the report be in an electronic format and contain the name of the individual listed as the adoptive parent on the adoption order or decree, the individual's social security number, the date the adoption was finalized, and the number of children adopted by the individual.

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 requires the Dept. of Children and Family Services to submit a report to DOR by January 31st each year listing all nonprofit foster care organizations licensed and in good standing during the prior calendar year. Further requires the report be in an electronic format and contain the nonprofit foster care organization's name and federal employer identification number or the DOR account number.

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. 47:297.10(A), 297.11(A), 297.12(A)(intro. para.) and (B)(1), 297.20(C) and 6042(B)(intro. para.) and (1), (D), (E), and (F)(4); adds R.S. 47:297.20(D))

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Revise specifications for receipts for donations to qualifying foster care charitable organizations.

Summary of Amendments Adopted by Senate

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

1. Remove references to the state dependency exemption.
2. Require that a child be claimed as a dependent on the federal income tax return to claim certain tax deductions.
3. Establish reporting requirements for the tax deduction for adoption from foster care and the tax credit for qualifying foster care charitable organizations.
4. Make technical changes.