

GREEN SHEET REDIGEST

HB 145

2025 Regular Session

Wilder

TAX/INCOME TAX: Increases the maximum amount of the construction code retrofitting deduction and expands the deduction to cover costs associated with "fortified home" standards compliance

DIGEST

Present law requires a taxpayer to submit proof that the completed work complies with the State Uniform Construction Code, information verifying the total cost of the project, and that the project was voluntary when claiming the deduction on a tax return.

Present law prohibits rental property and the value of costs paid from state, municipal, or federal financial incentives from qualifying for the deduction.

Proposed law retains present law but expands the class of costs qualifying for the deduction to include costs associated with bringing qualifying residential structures into compliance with the fortified home standards of the Insurance Institute for Business and Home Safety.

Present law limits the amount of the deduction to 50% of the costs paid or incurred to retrofit a residential structure or \$5,000, whichever is less.

Proposed law retains the 50% limit on the costs paid or incurred but increases the maximum amount of the deduction from \$5,000 to \$10,000 per retrofitted residential structure.

Present law requires taxpayers to submit with the return proof that the work was completed in compliance with the State Uniform Construction Code and any information verifying the cost of the project.

Proposed law repeals present law and requires the taxpayer to submit certification on a form prescribed by the department from the La. State Uniform Construction Code Council that the completed work complies with the State Uniform Construction Code or from the Insurance Institute for Business and Home Safety that the completed work complies with its fortified home standards. Further requires the certification to an itemized list of eligible components and the expense incurred for each.

Present law requires the taxpayer verify the total cost of the project and that the project was done voluntarily as required by department rule or regulation.

Proposed law retains present law.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Amends R.S. 47:293(2)(a)(i), (b), and (c))

Summary of Amendments Adopted by Senate

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

1. Rename deduction from the construction code retrofitting deduction to the construction retrofitting deduction.
2. Clarify that compliance with the State Uniform Construction Code means as certified by the Louisiana State Uniform Construction Code Council.
3. Clarify that compliance with the fortified home standards means as certified by the Insurance Institute for Business and Home Safety.

4. Provide for certification and documentation of the deduction on the return.
5. Make technical changes.