

HOUSE SUMMARY OF SENATE AMENDMENTS

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 and provides for certain education-related income tax deductions

Synopsis of Senate Amendments

1. Establishes reporting requirements relating to the tax deduction for adoption from foster care and the tax credit for qualifying foster care charitable organizations.
2. Deletes references to previously repealed La. dependency exemptions appearing in present law relative to certain education-related income tax deductions. Requires instead that, in order for a taxpayer to qualify for those deductions, a child must be claimed as a dependent on the taxpayer's federal income tax return.

Digest of Bill as Finally Passed by Senate

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 (DCFS) to submit a report to DOR by Jan. 31st annually listing all finalized adoptions from foster care or a youth recovering extended foster care services during the previous calendar year. Requires that the report be in electronic format and specifies the required content of the report.

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 DCFS 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 DCFS to submit a report to DOR by Jan. 31st annually listing all nonprofit foster care organizations licensed and in good standing during the prior calendar year. Requires that the report be in electronic format and specifies the required content of the report.

Present law establishes income tax deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and fees and other educational expenses for a quality public education. Requires that in order for a taxpayer to claim any of these deductions, the child must qualify as a dependency exemption on the taxpayer's La. income tax return.

Proposed law repeals references to the previously repealed La. dependency exemption within present law relative to the tax deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and fees and other educational expenses for a quality public education. Requires instead that in order for a taxpayer to qualify for these deductions, a child must be claimed as a dependent on the taxpayer's federal income tax return.

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))