HOUSE SUMMARY OF SENATE AMENDMENTS

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

Synopsis of Senate Amendments

- 1. Repeals <u>present law</u> establishing requirements for documentation that taxpayers must submit in order to claim the construction code retrofitting deduction. Requires instead that the Dept. of Revenue promulgate rules providing for the forms and documentation necessary for claiming the deduction.
- 2. Repeals the definition of "retrofit" applicable to the construction code retrofitting deduction.

Digest of Bill as Finally Passed by Senate

<u>Present law</u> provides for a construction code retrofitting income tax deduction for costs paid by a taxpayer to voluntarily retrofit an existing residential structure to bring the structure into compliance with the State Uniform Construction Code.

<u>Present law</u> requires a taxpayer to submit proof that the completed work complies with the State Uniform Construction Code and information verifying the total cost of the project and that the project was voluntary when claiming the deduction on a tax return. <u>Proposed law</u> repeals <u>present law</u> and requires instead that the Dept. of Revenue promulgate rules providing for the forms and documentation necessary for taxpayers to claim the deduction.

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

<u>Proposed law</u> retains <u>present law</u> 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.

<u>Present law</u> 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.

<u>Proposed law</u> 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.

<u>Proposed law</u> repeals the definition of "retrofit" applicable to the deduction.

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 (d); Repeals R.S. 47:293(2)(c) and (e))