
DIGEST

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Katrina Jackson

HB No. 704

Abstract: Limits the amount of federal income taxes allowed as a deduction in computing individual income taxes for resident and nonresident taxpayers to \$5,000.

Present law provides for a tax to be levied upon the net income of an individual. For purposes of computing the tax, present law defines "tax table income" for resident individuals, as adjusted gross income plus interest on certain obligations of a state or political subdivision, less items such as federal income tax liability.

Proposed law retains present law but limits the amount of federal income tax liability that may be deducted to \$5,000.

Present law defines "tax table income", for nonresident individuals, as the amount of La. income, allocated and apportioned as defined and provided for in present law, plus the total amount of the personal exemptions and deductions already included in the tax tables promulgated by the secretary under authority of present law, less the proportionate amount of the federal income tax liability.

Proposed law retains present law but limits the amount of federal income tax liability that may be deducted to \$5,000.

Effective Jan. 1, 2014.

(Amends R.S. 47:293(9)(a)(ii) and (10))