RÉSUMÉ DIGEST

ACT 117 (HB 508) **2015 Regular Session** **Foil**

New law authorizes an income tax deduction for each taxpayer who provides continuous employment to a qualified individual with a disability. A taxpayer is eligible to claim the deduction after employing a qualified individual with a disability for four continuous months for no less than an average of 20 hours a week at a rate comparable to and in the same setting as other employees performing the same or similar task.

New law limits the number of qualified individuals for which the deduction may be claimed to 100 and directs the Dept. of Revenue (DOR) and the Dept. of Health and Hospitals (DHH) to approve applications claiming the deduction. New law authorizes rule promulgation and regulations pursuant to the Administrative Procedures Act by DOR and DHH, in consultation with the Dept. of Veterans Affairs, and requires DHH to maintain records indicating the 100 employees eligible for the deduction.

New law defines a "qualified individual with a disability" as either of the following:

(1) A person with a severe, chronic disability attributable to an intellectual or physical impairment or combination of these impairments that is manifested before the age of 22 and is likely to continue indefinitely which results in substantial functional limitations. A qualified individual with a disability shall include individuals who have been determined to be eligible for services through the Office for Citizens with developmental disabilities or the Home and Community Based Waiver programs and is receiving facility-based vocational or pre-vocational services through the Home and Community Based Waiver programs.

(2) An individual who has a service-connected disability rating of 50% or more as designated by the U.S. Dept. of Veterans Affairs. A qualified individual with a service-connected disability shall include individuals who receive facility-based vocational or pre-vocational services through the Home and Community Based Waiver programs.

New law provides that the amount of the deduction shall equal 50% of the gross wages paid to a qualified disabled individual during the first four continuous months of employment and 30% of the gross wages paid to the individual during each subsequent continuous month of employment. New law further provides that the taxpayer is entitled to the deduction for each qualified disabled individual he employs each taxable year.

New law requires the taxpayer claiming the deduction to maintain all records necessary to verify that the employer and the qualified disabled individual for which the taxpayer is claiming the deduction meets all of the requirements as provided for in new law.

New law requires, to the extent practicable, that the credits be apportioned equitably to employers who are geographically representative of all portions of the state.

Existing law provides for the confidentiality of tax records and files. Further provides for exceptions and authorizes the release of information by DOR in limited circumstances.

New law authorizes DOR to share information with DHH to monitor and implement new law.

Effective upon signature of governor (June 19, 2015).

(Adds R.S. 47:297.13 and 1508(B)(37))