

2015 Regular Session

HOUSE BILL NO. 508

BY REPRESENTATIVES FOIL, BARROW, BURFORD, HENRY BURNS, CARTER, CONNICK, COX, HAZEL, HOFFMANN, HUNTER, IVEY, MIKE JOHNSON, ORTEGO, ROBIDEAUX, SMITH, ST. GERMAIN, AND WILLMOTT

TAX/INCOME TAX: Authorizes an income tax deduction for taxpayers who employ certain qualified disabled individuals

1 AN ACT

2 To enact R.S. 47:297.13, relative to income taxation; to provide relative to individual and  
3 corporation income tax deductions; to authorize an income tax deduction for  
4 taxpayers who employ certain qualified disabled individuals; to provide for certain  
5 definitions; to provide for certain requirements and limitations; to provide for an  
6 effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297.13 is hereby enacted to read as follows:

9 §297.13. Tax deduction; employment of certain qualified disabled individuals;  
10 requirements; limitations

11 A.(1) There shall be allowed a deduction from income taxes imposed by this  
12 Chapter for each taxpayer who provides continuous employment to a qualified  
13 disabled individual. A taxpayer shall be eligible to claim the deduction provided for  
14 in this Section after employing a qualified individual with a disability for four  
15 continuous months for no less than an average of twenty hours a week at a rate  
16 comparable to and in the same setting as other employees of the taxpayer performing  
17 the same or similar task.

18 (2) For purposes of this Section, the term "qualified individual with a  
19 disability" shall mean the following:

1           (a) A person with a severe, chronic disability that is attributable to an  
2           intellectual or physical impairment or combination of intellectual and physical  
3           impairments that is manifested before the person reaches the age of twenty-two and  
4           is likely to continue indefinitely which results in substantial functional limitations  
5           in three of more major areas of life activity, including but not limited to self-care,  
6           receptive and expressive language, learning, mobility, self-direction, capacity for  
7           independent living, and economic self-sufficiency. A qualified individual with a  
8           disability, as defined in this Subparagraph, shall include an individual who has been  
9           determined to be eligible for and is receiving services through the office for citizens  
10           with developmental disabilities. A qualified individual with a disability shall also  
11           include an individual who receives facility-based vocational or pre-vocational  
12           services through the Home and Community Based Waiver programs, including the  
13           New Opportunities Waiver, Supports Waiver, and Residential Options Waiver.

14           (b) An individual with a service-connected disability rating of fifty percent  
15           or more as designated by the United States Department of Veterans Affairs. A  
16           qualified individual with a service-connected disability, as defined in this  
17           Subparagraph, shall include an individual who receives facility-based vocational or  
18           pre-vocational services through the Home and Community Based Waiver programs,  
19           including the New Opportunities Waiver, Supports Waiver, and Residential Supports  
20           Waiver.

21           B. The amount of the income tax deduction shall be equal to fifty percent of  
22           the gross wages paid to a qualified disabled individual during the individual's first  
23           four continuous months of employment and thirty percent of the gross wages paid  
24           to the qualified individual with a disability during each subsequent continuous month  
25           of employment. The taxpayer shall be entitled to the deduction for each qualified  
26           individual with a disability the taxpayer employs each taxable year; however, there  
27           shall be no more than one hundred employees for which the deduction is allowed  
28           program wide, fifty percent of which shall be qualified individuals with a disability  
29           as defined in this Section and fifty percent of which shall be an eligible individual

1 with a service-connected disability. The secretary of the Department of Revenue, in  
2 consultation with the Department of Health and Hospitals and the Office of Veterans  
3 Affairs, shall promulgate rules and regulations pursuant to the Administrative  
4 Procedure Act for the purpose of implementing the provisions of this Section. The  
5 rules and regulations may include provisions requiring taxpayers to submit  
6 documentation with their returns or to specifically retain records that will enable the  
7 department to determine the taxpayer's eligibility for and amount of the tax  
8 deduction claimed under this Section. To the extent practicable, the credits shall be  
9 apportioned equitably to employers who are geographically representative of all  
10 portions of the state.

11 C. The taxpayer claiming this deduction shall maintain all records necessary  
12 to verify that the employer and the qualified individual with a disability for which  
13 the taxpayer is claiming the deduction meets all of the requirements as provided for  
14 in this Section.

15 D. The department, in consultation with the Department of Health and  
16 Hospitals, shall monitor the implementation and operation of the provisions of this  
17 Section. The department, in consultation with the Department of Health and  
18 Hospitals, shall also provide a written evaluation of the program and its effectiveness  
19 in generating employment opportunities for individuals with intellectual or  
20 developmental disabilities or individuals with service-connected disabilities, as well  
21 as whether there was any savings in Medicaid waiver expenditures.

22 Section 2. This Act shall become effective upon signature by the governor or, if not  
23 signed by the governor, upon expiration of the time for bills to become law without signature  
24 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If  
25 vetoed by the governor and subsequently approved by the legislature, this Act shall become  
26 effective on the day following such approval.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 508 Reengrossed

2015 Regular Session

Foil

**Abstract:** Authorizes an income tax deduction for taxpayers who employ qualified individuals with disabilities.

Proposed 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.

Proposed law limits the number of qualified individuals for which the deduction may be claimed to 100 and directs the secretary of the Dept. of Revenue, in consultation with the Dept. of Health and Hospitals and the Office of Veterans Affairs, to promulgate rules and regulations pursuant to the A.P.A. for the purpose of implementing the limitation of the availability of the deduction.

Proposed 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.

Proposed law provides that the amount of the deduction is equal to 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. Further provides that the taxpayer is entitled to the deduction for each qualified disabled individual he employs each taxable year.

Proposed 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 proposed law.

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

Effective upon signature of governor or lapse of time for gubernatorial action.

(Adds R.S. 47:297.13)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Require that the qualified individual with a disability be paid at a rate comparable to and in the same setting as other employees performing the same or similar task for the employer to be eligible to receive the income tax deduction.
2. Clarify which programs an individual may receive services through to be considered a qualified individual for purposes of the deduction.

The House Floor Amendments to the engrossed bill:

1. Add provision that a qualified individual with a service-connected disability shall include an individual who receives facility-based vocational or pre-vocational services through the Home and Community Based Waiver programs, including the New Opportunities Waiver, Supports Waiver, and Residential Support Waiver.
2. Add provision that requires, to the extent practicable, that the credits in proposed law be apportioned equitably to employers who are geographically representative of all portions of the state.