

2017 Regular Session

HOUSE BILL NO. 337

BY REPRESENTATIVES STOKES AND SIMON

TAX CREDITS: Provides for an individual income tax credit for improvements made to the residences of individuals with certain disabilities

1 AN ACT

2 To amend and reenact R.S. 47:297(P)(1), (2), and (5) and to enact R.S. 47:297(P)(3)(e),

3 relative to individual income tax credits; to authorize an individual income tax credit

4 for certain residential improvements made by persons with certain disabilities; to

5 provide for a program cap; to provide for effectiveness; and to provide for related

6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297(P)(1), (2), and (5) are hereby amended and reenacted and

9 R.S. 47:297(P)(3)(e) is hereby enacted to read as follows:

10 §297. Reduction to tax due

11 * * *

12 P.(1) There shall be allowed a credit against the individual income tax

13 liability of a taxpayer for the inclusion of accessible and barrier-free design elements

14 in either the construction of a new one- or two-family dwelling or the renovation of

15 an existing dwelling. For purposes of this Subsection, "taxpayer" shall mean an

16 individual who owns a newly constructed one- or two-family dwelling, or the

17 existing dwelling that is renovated, and who qualifies for and claims a homestead

18 exemption on a dwelling which meets all of the design elements necessary for

19 claiming the tax credit authorized by the provisions of this Subsection.

1 Legislature, R.S. 47:297(P)(2) as enacted by Section 5 of Act No. 125 of the 2015 Regular
2 Session shall not become effective.

3 Section 3. The provisions of this Act shall be applicable for all taxable periods
4 beginning on and after January 1, 2018.

5 Section 4. This Act shall become effective on January 1, 2018.

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)]

HB 337 Engrossed

2017 Regular Session

Stokes

Abstract: Expands the individual income tax credit for the inclusion of accessible and barrier-free design elements in the construction of certain dwellings and provides for a program cap.

Present law authorizes a credit against individual income tax for the owner of a newly constructed one- or two-family dwelling that includes certain accessible and barrier-free design elements. Eligibility is limited to individuals who own such a dwelling, claim the homestead exemption thereon, and the dwelling meets all of the design elements necessary for claiming the tax credit.

Present law further requires that the tax credit be taken in the taxable year in which the construction is completed. The credit is limited to the lesser of \$720 or 72% of the taxpayer's total tax liability. Only one tax credit may be granted per dwelling.

Proposed law adds existing dwellings that are renovated to include accessible and barrier-free design elements as a dwelling for which a taxpayer may be eligible to receive the credit.

Proposed law changes the amount of the credit from the lesser of \$720 or 72% of the taxpayer's total tax liability to \$5,000. Further authorizes excess, unused credit to be carried forward and applied to subsequent tax liability for five years.

Present law requires the dwelling to meet certain standards to be eligible for the tax credit.

Proposed law retains present law and adds the requirement that the dwelling meet the accessibility standards required by federal law.

Proposed law establishes a program cap not to exceed \$500,000 in credits granted by the Dept. of Revenue each calendar year and provides for the claim of credits on a first-come, first-served basis. A taxpayer whose claims is disallowed due to the cap may claim the credit in the next calendar year and have priority over other claims. Allows any amount not granted to roll over to subsequent years.

Effective Jan. 1, 2018.

(Amends R.S. 47:297(P)(1), (2), and (5); Adds R.S. 47:297(P)(3)(e))

Summary of Amendments Adopted by House

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

1. Add provisions to allow for a first-come, first-served priority order for taxpayers whose claim for the credit is disallowed because the annual cap has been met.
2. Add provisions that the claims of credits are on a first-come, first-served basis and allows taxpayer whose claims is disallowed due to the cap to claim the credit in the next calendar year and have priority over other claims.