SLS 17RS-121 ENGROSSED

2017 Regular Session

SENATE BILL NO. 25

BY SENATOR MORRELL

TAX/INCOME/PERSONAL. Sunsets the individual income tax education credit. (gov sig)

1	AN ACT
2	To amend and reenact the introductory paragraph of R.S. 47:297(D) and (D)(1) and to repeal
3	R.S. 47:297(D)(2) as amended by Section 5 of Act No. 125 of the 2015 Regular
4	Session of the Legislature, relative to tax credits; to provide relative to reduction to
5	tax due; to sunset the tax credit for educational expenses; to provide for an effective
6	date; and to provide for related matters.
7	Be it enacted by the Legislature of Louisiana:
8	Section 1. The introductory paragraph of R.S. 47:297(D) and (D)(1) are hereby
9	amended and reenacted to read as follows:
10	§297. Reduction to tax due
11	* * *
12	D. In addition to any other credits against the tax payable on net income
13	which the law allows to an individual taxpayer, until January 1, 2017, the taxpayer
14	shall be entitled to the tax credit against the tax payable on net income provided for
15	as follows:
16	(1) A taxpayer required to file a resident Louisiana tax return may claim a tax
17	credit for educational expenses incurred after January 1, 1988, and before

1 **January 1, 2017**, for each child attending kindergarten, elementary, or secondary 2 school kindergarten through twelfth grade located in Louisiana, if the child qualifies as a dependency exemption on the taxpayer's Louisiana income tax return unless the 3 deduction for the payment of tuition and fees for nonpublic elementary and 4 secondary school tuition is taken for the child as provided for in R.S. 47:297.10. 5 6 Section 2. R.S. 47:297(D)(2) as amended by Section 5 of Act No. 125 of the 2015 7 8 Regular Session of the Legislature is hereby repealed. 9 Section 3. This Act shall become effective upon signature by the governor or, if not 10 signed by the governor, upon expiration of the time for bills to become law without signature 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become 13 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

## DIGEST 2017 Regular Session

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Regular Session

Morrell

<u>Present law</u> provides an \$18.00 individual income tax credit for each qualified dependent child who was in school in kindergarten through 12th grade at least part of the year.

<u>Present law</u> disallows the credit if the deduction for the payment of tuition and fees for nonpublic elementary and secondary school tuition is taken for the child as provided for in R.S. 47:297.10.

<u>Proposed law</u> sunsets the entire credit beginning on January 1, 2017.

<u>Present law</u> in Section 5 of Act No. 125 of the 2015 Regular Session increases the credit to \$25.00 on June 30, 2018.

<u>Proposed law</u> repeals the provision of Section 5 of Act No. 125 of the 2015 Regular Session that increases the credit.

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

(Amends R.S. 47:297(D)(intro para) and (D)(1); repeals R.S. 47:297(D)(2) as amended by Sec. 5 of Acts 2015 No. 125)