SLS 181ES-25 ENGROSSED

2018 First Extraordinary Session

SENATE BILL NO. 2

BY SENATOR MORRELL

TAX/INCOME/PERSONAL. Authorizes an adjustment to the federal income tax deduction for certain net disaster losses.(Item # 9)(gov sig)

1	AN ACT
2	To enact R.S. 47:293(4)(d), relative to net disaster losses; to provide that the deduction from
3	state income taxes for federal income tax shall not be reduced by the amount of
4	certain federal net disaster losses; to provide for an effective date; and to provide for
5	related matters.
6	Be it enacted by the Legislature of Louisiana:
7	Section 1. R.S. 47:293(4)(d) is hereby enacted to read as follows:
8	§293. Definitions
9	The following definitions shall apply throughout this Part, unless the context
10	requires otherwise:
11	* * *
12	(4) "Federal income tax liability", for the purpose of this Part, means the total
13	amount of tax due to the United States for the taxable period on the individual
14	income tax return required to be filed by any taxpayer, except that:
15	* * *
16	(d) For taxable years beginning on or after January 1, 2015, and before
17	January 1, 2018, the federal income tax liability shall be increased by the

amount by which an individual's federal income tax due for the taxable period
 was reduced as a result of claiming a federal deduction for a net disaster loss for
 the same taxable period.

4 \* \* \*

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

The original instrument was prepared by Leonore F. Heavey. The following digest, which does not constitute a part of the legislative instrument, was prepared by James Benton.

## **DIGEST**

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Morrell

<u>Present law</u> provides that the deduction from state income taxes for federal income tax is the amount of federal income taxes paid less any federal income tax credits determined by the secretary of revenue to be disaster relief credits.

<u>Proposed law</u> retains <u>present law</u> and provides that for taxable years beginning on or after January 1, 2015, and before January 1, 2018, the federal income tax deduction from state income taxes allowed for individuals will not be reduced by the amount of net disaster losses deducted on the person's federal income tax return for the same tax period.

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

(Adds R.S. 47:293(4)(d))

Summary of Amendments Adopted by Senate

## <u>Committee Amendments Proposed by Senate Committee on Revenue and Fiscal</u> Affairs to the original bill

1. Changes the date of initial applicability <u>from</u> January 1, 2016 <u>to</u> January 1, 2015.