HLS 19RS-804 ORIGINAL

2019 Regular Session

HOUSE BILL NO. 530

1

BY REPRESENTATIVE HODGES

TAX CREDITS: Requires certain taxpayers claiming the earned income tax credit to provide the Dept. of Revenue with certain information regarding residency of dependents

AN ACT

2	To enact R.S. 47:297.8(A)(3), (C), and (D), relative to individual income tax; to provide
3	with respect to the earned income tax credit; to establish additional eligibility
4	requirements for the tax credit; to require qualifying children and dependents to meet
5	certain residency requirements; to provide for recapture of the credit; to authorize the
6	promulgation of certain rules and regulations; to provide for applicability; to provide
7	for effectiveness; and to provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 47:297.8(A)(3), (C), and (D) are hereby enacted to read as follows:
10	§297.8. Earned income tax credit
11	A.
12	* * *
13	(3) No credit shall be allowed under this Section unless the taxpayer signs
14	a statement on the tax return that the qualifying child or other dependent for which
15	the credit is claimed meets all of the following requirements:
16	(a) The qualifying child or other dependent is physically present in the
17	United States at the time the tax return for the taxable year is filed.

1		(b) The qualifying child or other dependent has been physically present in
2		the United States for at least one hundred eighty calendar days of the taxable year
3		unless the child was born in the taxable year for which the credit is claimed.
4		(c) If the qualifying child or other dependent was born in the taxable year for
5		which the credit is claimed, the qualifying child or other dependent has been
6		physically present in the United States for the lesser of fifty percent of the calendar
7		days of the taxable year since the birth of the child or other dependent or one
8		hundred eighty calendar days.
9		* * *
10		C. If the secretary of the Department of Revenue finds that an individual has
11		claimed the earned income tax credit in violation of the provisions of this Section,
12		including but not limited to fraud or misrepresentation, then the taxpayer's state
13		income tax for the taxable period shall be increased by the amount necessary for the
14		recapture of the tax credit provided for in this Section.
15		D. The Department of Revenue shall promulgate rules and regulations in
16		accordance with the Administrative Procedure Act as are necessary to implement the
17		provisions of this Section.
18		Section 2. This act shall be applicable to tax years beginning on or after January 1,
19	2020.	
20		Section 3. This Act shall become effective January 1, 2020.

## **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 530 Original

2019 Regular Session

Hodges

**Abstract:** Requires taxpayers who claim the earned income tax credit to affirm to the Dept. of Revenue that any claimed qualifying child or other dependent meets certain residency requirements.

<u>Present law</u> authorizes a state individual income tax credit for 5% of the amount of the taxpayer's federal earned income tax credit through Dec. 31, 2025.

<u>Proposed law</u> retains <u>present law</u> and adds a requirement that a taxpayer applying for the credit to sign a statement on the tax return indicating that any qualifying child or other

## Page 2 of 3

CODING: Words in struck through type are deletions from existing law; words <u>underscored</u> are additions.

dependent for which the credit is claimed is physically present in the U.S. at the time the income tax return is filed, for at least 180 days of the taxable year, or if born in the taxable year, the child or other depedent was physically present in the U.S. for 50% of the taxable year or 180 calendar days, whichever is less.

<u>Proposed law</u> authorizes the Dept. of Revenue to recapture the credit if the credit is obtained in violation of the provisions of <u>proposed law</u>. Further authorizes the Dept. of Revenue to promulgate rules and regulations necessary to implement the provisions of <u>proposed law</u>.

Effective Jan 1, 2020, and applicable to all tax periods beginning on or after Jan. 1, 2020.

(Adds R.S. 47:297.8(A)(3), (C), and (D))