

RÉSUMÉ DIGEST

ACT 251 (HB 184)

2025 Regular Session

Owen

New law authorizes an income tax deduction for amounts that a qualifying taxpayer receives in a taxable year through hardship distributions from one or more retirement accounts.

New law provides for the following definitions:

- (1) "Hardship distribution" means a withdrawal from a retirement plan participant's elective deferral account made because of an immediate and serious financial need as determined in accordance with the policies of the plan.
- (2) "Qualifying taxpayer" means a taxpayer who has been diagnosed with a terminal illness by a licensed physician. In the case of married joint filers, "qualifying taxpayer" shall also mean a taxpayer's spouse who has been diagnosed with a terminal illness by a licensed physician.
- (3) "Terminal illness" shall have the meaning ascribed in existing law (R.S. 40:1169.3, the Right To Try Act).

New law applies to taxable periods beginning on or after January 1, 2026.

Effective January 1, 2026.

(Adds R.S. 47:293(9)(a)(xxvii) and 297.26))