

## RÉSUMÉ DIGEST

ACT 349 (HB 238)

2025 Regular Session

McFarland

Existing law authorizes a tax deduction for adoption of children from foster care. Authorizes the secretary of the Dept. of Revenue (DOR) to promulgate rules to implement existing law, including rules related to submission of documentation when claiming the deduction.

New law provides that if the rules require the submission of a deduction eligibility certification letter and the secretary of the department determines that the process of obtaining that letter is an impediment to, or causes an undue burden for, claiming the deduction, then the secretary may amend the rules to provide for an alternative process for eligibility certification. Provides that the process may include certification on a standardized form.

Existing law authorizes a tax credit for donations to certain foster care charitable organizations. Defines terms for purposes of existing law including "qualifying foster care charitable organization" or "foster care organization".

Prior law defined "qualifying foster care charitable organization" or "foster care organization" as an organization that meets several enumerated criteria relating to tax-exempt status, number of individuals served, percentage of budget expended on specific services, and approval by DOR.

New law changes the definition of "qualifying foster care charitable organization" or "foster care organization" to mean an organization licensed by the Dept. of Children and Family Services (DCFS) as a child placing agency to provide adoption and foster care services.

New law repeals prior law that required an organization seeking to become a qualifying foster care charitable organization to apply to DOR for that designation.

Existing law requires that when claiming the tax credit for a donation to a foster care organization, a taxpayer shall provide to DOR a copy of the receipt for the donation. Prior law required DOR to provide a standardized format for the receipt. New law prescribes the content of the receipt and specifies that the content match the content required for charitable donation receipts for federal income tax purposes.

New law requires DCFS to submit a report to DOR by Jan. 31st annually listing all qualifying foster care charitable organizations that held a valid, unsuspended, DCFS-issued license during the prior calendar year. Requires that the report be in electronic format and specifies the required content of the report.

Existing law establishes income tax deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and fees and other educational expenses for a quality public education.

Prior law established a dependency exemption for purposes of La. individual income tax. Prior law required that in order for a taxpayer to claim the income tax deduction for elementary and secondary school tuition, educational expenses for home-schooled children, or fees and other educational expenses for a quality public education, the child must qualify as a dependency exemption on the taxpayer's La. income tax return.

New law repeals obsolete references to the previously repealed La. dependency exemption. Requires that in order for a taxpayer to qualify for the deductions referred to above, a child must be claimed as a dependent on the taxpayer's federal income tax return.

New law applies to taxable periods beginning on or after Jan. 1, 2025.

Effective upon signature of governor (June 20, 2025).

(Amends R.S. 47:297.10(A), 297.11(A), 297.12(A)(intro. para.) and (B)(1), 297.20(C), and 6042(D), (E), and (F)(4); Repeals R.S. 47:6042(B))

