

First Extraordinary Session, 2005

HOUSE BILL NO. 117

BY REPRESENTATIVES SCALISE, ALEXANDER, BEARD, BOWLER, BRUNEAU, BURNS, CROWE, DOVE, DOWNS, ERDEY, GEYMAN, GREENE, HUTTER, JOHNS, KATZ, KENNARD, KLECKLEY, LABRUZZO, LAMBERT, LANCASTER, MARTINY, MCVEA, MORRISH, PITRE, M. POWELL, T. POWELL, SCHNEIDER, SMILEY, JANE SMITH, STRAIN, TOOMY, TRAHAN, TUCKER, WADDELL, WALSWORTH, WHITE, AND WINSTON AND SENATORS BARHAM, BOASSO, CAIN, DARDENNE, HOLLIS, KOSTELKA, LENTINI, MALONE, MICHOT, QUINN, ROMERO, SCHEDLER, AND THEUNISSEN

TAX/INCOME TAX: Provides with respect to the Louisiana federal income tax deduction (Item #11)

1 AN ACT

2 To amend and reenact R.S. 47:287.85(C)(2) and 293(3), relative to income tax of estates and  
3 trusts, corporations, and individuals; to provide that the deduction from state income  
4 taxes for federal income tax shall not be reduced by the amount of certain federal  
5 disaster relief tax credits; to provide for an effective date; and to provide for related  
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:287.85(C)(2) and 293(3) are hereby amended and reenacted to  
9 read as follows:

10 §287.85. Federal income tax deduction

11 \* \* \*

12 C.

13 \* \* \*

14 (2) "Credits" as used in this Subsection does not include overpayments of  
15 prior year taxes allowed as a credit, estimated tax payments or similar prepayments,  
16 ~~or~~ credit for prior year alternative minimum tax which is allowed as a credit against

1 the current regular federal income tax, or federal income tax credits determined by  
2 the secretary to be presidential disaster area disaster relief credits.

3 \* \* \*

4 §293. Definitions

5 The following definitions shall apply throughout this Part, unless the context  
6 requires otherwise:

7 \* \* \*

8 (3) "Federal income tax liability", for the purpose of this Part, means the  
9 total amount of tax due to the United States for the taxable period on the individual  
10 income tax return required to be filed by any taxpayer, except that:

11 (a) ~~social~~ Social security taxes and self-employment taxes shall not be  
12 included.

13 (b) The federal income tax liability shall be increased by any federal income  
14 tax credits determined by the secretary to be presidential disaster area disaster relief  
15 credits.

16 \* \* \*

17 Section 2. This Act shall be effective for all taxable periods beginning after  
18 December 31, 2004.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

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Scalise

HB No. 117

**Abstract:** Provides that the federal income tax deduction allowed for individuals, estates and trusts, and corporations from state income taxes will not be reduced by the amount of federal disaster relief credits.

Present law provides that the deduction from state income taxes for federal income tax is the amount due to the federal government after all federal credits.

Proposed law provides that the federal income tax deduction from state income taxes allowed for individuals, estates and trusts, and corporations will not be reduced by the amount of federal disaster relief credits.

Effective for taxable periods beginning after December 31, 2004.

(Amends R.S. 47:287.85(C)(2) and 293(3))