



LEGISLATIVE FISCAL OFFICE

Fiscal Note

Fiscal Note On: **SB 42** SLS 051ES 207
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Sub. Bill For.:
Proposed Amd.:

Date: November 7, 2005 7:40 PM	Author: MOUNT
Dept./Agy.: Revenue	
Subject: Personal Income Tax - Federal Disaster Relief Windfall	Analyst: Greg Albrecht

TAX/TAXATION OR SEE FISC NOTE GF RV See Note Page 1 of 1

Provides that the Louisiana federal income tax deduction shall not be reduced if the secretary of the Department of Revenue determines that the reduction is due to federal tax relief credits. (gov sig)

Current law allows taxpayers to deduct the amount of their federal income tax when computing their LA taxable income.

Proposed law provides that the federal income tax deduction is not to be reduced by the amount of any federal income tax credits determined to be presidential disaster area disaster relief credits.

Effective for all taxable periods beginning after December 31, 2004.

EXPENDITURES	2005-06	2006-07	2007-08	2008-09	2009-10	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2005-06	2006-07	2007-08	2008-09	2009-10	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The federal tax deduction works to reduce LA taxable income and consequently LA income tax liability. Federal disaster tax relief would work to reduce the federal tax deduction taxpayers would claim on their state income tax returns. This would increase their state taxable income and consequently their state income tax liability. This bill would preclude that from happening and hold federal tax deductions, LA taxable income, and LA tax liabilities to levels that would otherwise occur had no federal disaster tax relief been received.

While this bill will preclude the State from receiving additional personal income tax collections associated with any federal disaster tax relief, the official revenue forecasts do not incorporate an expectation of receiving any such revenue. Thus, the anticipated State revenue baseline is unaffected by this bill.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost	<u>H. Gordon Monk</u>
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	H. Gordon Monk Legislative Fiscal Officer