
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Mount (SB 42)

Present constitution allows Louisiana income tax payers to deduct the amount of the federal income tax paid from their Louisiana income - the FIT Deduction.

Present law provides that the FIT Deduction is the amount due to the federal government after all federal credits [which reduce federal taxes paid] are deducted.

Proposed law provides that the FIT Deduction will not be reduced [and therefore a taxpayer's La. income tax will go up] by a federal credit if the secretary of the Department of Revenue determines that the credit is a disaster relief credit granted for the Hurricane Katrina or Hurricane Rita presidential disaster areas.

Proposed law provides that the FIT Deduction for individuals also will not be reduced if the individual's federal income tax was reduced as a result of claiming a deduction for a casualty loss if the secretary determines that the loss was incurred as a result of hurricanes Katrina or Rita in a presidential disaster area.

Any determination to be made by the secretary is to be made in accordance with rules and regulations promulgated by the secretary and approved by the Senate Revenue and Fiscal Affairs Committee and the House Committee on Ways and Means meeting jointly.

Effective for taxable periods beginning after December 31, 2004.

Effective upon signature of the governor or lapse of time for gubernatorial action.

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

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Prevents an increase in Louisiana income tax because of a reduction in federal income taxes as a result of a casualty loss incurred as a result of the hurricanes. (gov sig)
2. Requires regulations of the secretary pertaining to individuals to be approved by the standing committees before they are adopted.