

HOUSE SUMMARY OF SENATE AMENDMENTS**HB 508****2015 Regular Session****Foil**

TAX/INCOME TAX: Authorizes an income tax deduction for taxpayers who employ certain qualified disabled individuals

Synopsis of Senate Amendments

1. Clarifies the disabled individual for which a deduction is available is a disabled individual within Louisiana.
2. Directs the Dept. of Revenue and the Dept. of Health and Hospitals to approve applications claiming the deduction. Further directs the depts. to promulgate rules for implementation of the program in consultation with the Dept. of Veterans Affairs. Requires the Dept. of Health and Hospitals to maintain records of the 100 eligible employees.
3. Authorizes the Dept. of Revenue to share information with the Dept. of Health and Hospitals for the purposes of implementation of the program.
4. Eliminates provision requiring equal distribution of available deductions between the Dept. of Health and Hospitals and the Dept. of Veterans affairs.

Digest of Bill as Finally Passed by Senate

Proposed law authorizes an income tax deduction for each taxpayer who provides continuous employment to a qualified individual with a disability. A taxpayer is eligible to claim the deduction after employing a qualified individual with a disability for four continuous months for no less than an average of 20 hours a week at a rate comparable to and in the same setting as other employees performing the same or similar task.

Proposed law limits the number of qualified individuals for which the deduction may be claimed to 100 and directs the Dept. of Revenue (DOR) and the Dept. of Health and Hospitals (DHH) to approve applications claiming the deduction. Authorizes rule promulgation and regulations pursuant to the A.P.A. by DOR and DHH, in consultation with the Dept. of Veterans Affairs. Requires DHH to maintain records indicating the 100 employees eligible for the deduction.

Proposed law defines a "qualified individual with a disability" as either of the following:

- (1) A person with a severe, chronic disability attributable to an intellectual or physical impairment or combination of these impairments that is manifested before the age of 22 and is likely to continue indefinitely which results in substantial functional limitations. A qualified individual with a disability shall include individuals who have been determined to be eligible for services through the Office for Citizens with developmental disabilities or the Home and Community Based Waiver programs and is receiving facility-based vocational or pre-vocational services through the Home and Community Based Waiver programs.
- (2) An individual who has a service-connected disability rating of 50% or more as designated by the U.S. Dept. of Veterans Affairs. A qualified individual with a service-connected disability shall include individuals who receive facility-based vocational or pre-vocational services through the Home and Community Based Waiver programs.

Proposed law provides that the amount of the deduction shall equal 50% of the gross wages

paid to a qualified disabled individual during the first four continuous months of employment and 30% of the gross wages paid to the individual during each subsequent continuous month of employment. Further provides that the taxpayer is entitled to the deduction for each qualified disabled individual he employs each taxable year.

Proposed law requires the taxpayer claiming the deduction to maintain all records necessary to verify that the employer and the qualified disabled individual for which the taxpayer is claiming the deduction meets all of the requirements as provided for in proposed law.

Proposed law requires, to the extent practicable, that the credits be apportioned equitably to employers who are geographically representative of all portions of the state.

Proposed law authorizes DOR to share information with DHH to monitor and implement proposed law.

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

(Adds R.S. 47:297.13 and 1508(B)(37))