

2018 Second Extraordinary Session

HOUSE BILL NO. 21

BY REPRESENTATIVE SHADOIN

TAX/INCOME TAX: Reduces the amount of the individual income tax deduction for excess federal itemized personal deductions (Item #20)

1 AN ACT

2 To amend and reenact R.S. 47:293(3)(c) and to enact R.S. 47:293(3)(d), relative to the
3 individual income tax; to provide with respect to the deduction for excess federal
4 itemized personal deductions; to provide for certain limitations; to provide for
5 applicability; to provide for an effective date; and to provide for related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:293(3)(c) is hereby amended and reenacted and R.S. 47:293(3)(d)
8 is hereby enacted to read as follows:

9 §293. Definitions

10 The following definitions shall apply throughout this Part, unless the context
11 requires otherwise:

12 * * *

13 (3) "Excess federal itemized personal deductions" for the purposes of this
14 Part, means the following percentages of the amount by which the federal itemized
15 personal deductions exceed the amount of federal standard deductions which is
16 designated for the filing status used for the taxable period on the individual income
17 tax return required to be filed:

18 * * *

1 (c) For all tax years beginning on and after January 1, 2009, but before
2 January 1, 2018, one hundred percent of such excess federal itemized personal
3 deductions.

4 (d) For all tax years beginning on and after January 1, 2018, one hundred
5 percent of such excess federal itemized personal deductions based on the amount of
6 itemized deductions used by the taxpayer in the calculation of federal taxable income
7 for the individual income tax return of the taxpayer; however, there shall be no
8 deduction allowed for any amount claimed as a deduction for income or general sales
9 taxes paid or accrued under Section 164 of the Internal Revenue Code.

10 * * *

11 Section 2. The provisions of this Act shall be applicable to all tax years beginning
12 on and after January 1, 2018.

13 Section 3. This Act shall become effective upon signature by the governor or, if not
14 signed by the governor, upon expiration of the time for bills to become law without signature
15 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
16 vetoed by the governor and subsequently approved by the legislature, this Act shall become
17 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abstract: Allows taxpayers to deduct 100% of excess federal itemized personal deductions but excludes income and general sales taxes paid or accrued from the list of items included in the calculation of the amount of the state deduction.

Present law authorizes a deduction from individual income taxes for excess federal itemized personal deductions. Excess federal itemized personal deductions is defined to mean 100% of the amount by which the federal itemized personal deductions exceed the amount of federal standard deductions designated for the filing status used for the taxable period on the individual income tax return.

Proposed law retains the amount of the deduction at 100% but excludes income and general sales taxes paid or accrued from the list of items included in the calculation of the amount of the state deduction.

Applicable for all tax years beginning on and after Jan. 1, 2018.

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

(Amends R.S. 47:293(3)(c); Adds R.S. 47:293(3)(d))