

2021 Regular Session

SENATE BILL NO. 138

BY SENATOR FIELDS

TAX/TAXATION. Provides for refundability for the child care expense individual income tax credit. (gov sig)

1 AN ACT

2 To amend and reenact R. S. 47:297.4(B), relative to the individual income tax credit for
3 child care expenses; to provide for refundability of the credit for taxpayers at all
4 income levels; to provide for effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R. S. 47:297.4(B) is hereby amended and reenacted to read as follows:

7 §297.4. Reduction to tax due; certain child care expenses

8 * * *

9 B.~~(1)~~ For tax years beginning after December 31, 2020, if the credit
10 against Louisiana income tax ~~for resident individuals whose federal adjusted gross~~
11 ~~income is equal to or less than twenty-five thousand dollars~~ exceeds the amount of
12 ~~such~~ **the** individual's tax liability for the taxable year, then ~~such~~ **the** excess tax credit
13 shall constitute an overpayment, as defined in R.S. 47:1621(A), and the secretary
14 shall make a refund of ~~such~~ **the** overpayment from the current collections of the
15 taxes imposed under this Part. The right to a refund of ~~any such~~ **this** overpayment
16 shall not be subject to the requirements of R.S. 47:1621(B).

17 ~~(2) If the credit against Louisiana income tax for resident individuals whose~~

1 ~~federal adjusted gross income is greater than twenty-five thousand dollars exceeds~~
2 ~~the amount of such individual's tax liability for the taxable period, then such excess~~
3 ~~tax credit may be carried forward as a credit against any subsequent tax liability of~~
4 ~~such individual imposed by this Part for a period not exceeding five years.~~

5 Section 2. This Act shall become effective upon signature by the governor or, if not
6 signed by the governor, upon expiration of the time for bills to become law without signature
7 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
8 vetoed by the governor and subsequently approved by the legislature, this Act shall become
9 effective on the day following such approval.

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

	DIGEST	
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Present law provides an individual income tax credit for child care expenses that are eligible for the federal child care credit.

Present law authorizes taxpayers with incomes of \$25,000 or less to receive a refund of any child care credit in excess of their current year state individual income tax liability.

Present law provides that for taxpayers with incomes over \$25,000, any credit in excess of their current year income tax liability is not refunded, but is carried forward for up to five years.

Proposed law authorizes all taxpayers, regardless of income level, to receive a refund of any child care credit in excess of their current year state individual income tax liability.

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

(Amends R. S. 47:297.4(B))