

2023 Regular Session

SENATE BILL NO. 226

BY SENATOR LUNEAU

TAX/INCOME/PERSONAL. Provides relative to the earned income tax credit. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:297.8(A), relative to the earned income tax credit; to provide
3 for the amount of the earned income tax credit; to provide for an effective date; and
4 to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:297.8(A) is hereby amended and reenacted to read as follows:

7 §297.8. Earned income tax credit

8 A. ~~(1) Except as provided in Paragraph (2) of this Subsection, there~~ **There**
9 shall be a credit against the tax imposed by this Chapter for individuals in an amount
10 equal to ~~three and one-half~~ **ten** percent of the federal earned income tax credit for
11 which the individual is eligible for the taxable year pursuant to Section 32 of the
12 Internal Revenue Code.

13 ~~(2) For tax years beginning on or after January 1, 2019, through December~~
14 ~~31, 2030, there shall be a credit against the tax imposed by this Chapter for~~
15 ~~individuals in an amount equal to five percent of the federal earned income tax credit~~
16 ~~for which the individual is eligible for the taxable year under Section 32 of the~~
17 ~~Internal Revenue Code.~~

1 * * *

2 Section 2. This Act shall become effective upon signature by the governor or, if not
3 signed by the governor, upon expiration of the time for bills to become law without signature
4 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
5 vetoed by the governor and subsequently approved by the legislature, this Act shall become
6 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 Danielle B. Clapinski.

DIGEST

SB 226 Original 2023 Regular Session Luneau

Present law provides for an individual income tax credit based on the taxpayer's federal earned income tax credit authorized under the Internal Revenue Code. The amount of the credit is 5% of the amount of the taxpayer's federal earned income tax credit through December 31, 2025. Beginning January 1, 2026, the amount of the credit is 3.5% of the amount of the taxpayer's federal earned income tax credit.

Proposed law increases the amount of the state credit from 5% to 10% of the amount of the taxpayer's federal tax credit and eliminates the mandatory decrease in the amount of the credit in 2026, thereby making the 10% permanent.

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

(Amends R.S. 47:297.8(A))