
DIGEST

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HB 194 Original

2025 Regular Session

Bayham

Abstract: Authorizes an income tax deduction for overtime compensation for resident taxpayers with incomes at or below certain levels.

Proposed law authorizes an income tax deduction for amounts of overtime compensation a taxpayer receives in a taxable year. Proposed law defines "overtime compensation" as overtime compensation required pursuant to Section 7 of the Fair Labor Standards Act of 1938, as amended (compensation for hours worked in excess of 40 hours in any workweek).

Proposed law provides that the amount of the deduction shall equal the amount of overtime compensation received by an individual which does not exceed 20% of his other wages from the same employer for the taxable year.

Proposed law limits eligibility for the deduction to resident individual taxpayers whose adjusted gross incomes do not exceed whichever of the following amounts are applicable based on filing status:

- (1) \$200,000 in the case of any taxpayer using a filing status of married filing jointly or surviving spouse.
- (2) \$150,000 in the case of any taxpayer using a filing status of head of household.
- (3) \$100,000 in the case of any taxpayer using a filing status of single or married filing separately.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2026.

Effective Jan. 1, 2026.

(Adds R.S. 47:293(9)(a)(xxvii) and 297.26))