

2025 Regular Session

SENATE BILL NO. 118

BY SENATOR FOIL

TAX/INCOME/PERSONAL. Excludes certain amounts deposited into ABLE accounts for qualified expenses of persons with disabilities from state income tax. (8/1/25)

AN ACT

To amend and reenact R.S. 17:3088 and to enact R.S. 47:293(9)(a)(xxvii), relative to the Achieving a Better Life Experience Account Program (ABLE); to provide relative to tax table income; to exclude certain deposits into ABLE accounts for financing of certain qualified expenses of persons with disabilities; to provide for applicability; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 17:3088 is hereby amended and reenacted to read as follows:

§3088. Amounts deposited in ABLE accounts; Louisiana income tax; tax table income

~~For tax years beginning on and after January 1, 2016, amounts deposited in an ABLE account on behalf of any designated beneficiary may be excluded from tax table income for purposes of Louisiana income tax if authorized by the provisions of R.S. 47:293(9)(a).~~ **For tax years beginning on and after January 1, 2026, amounts that an account owner deposits into an ABLE account on behalf of any designated beneficiary shall be exempt from inclusion in the account owner's taxable income for the purposes of state individual income tax up to a maximum**

1 of two thousand four hundred dollars per beneficiary per taxable year for
2 account owners filing single returns and up to a maximum of four thousand
3 eight hundred dollars per beneficiary per taxable year for account owners filing
4 joint returns, as provided in R.S. 47:293(9)(a)(xxvii). If an account owner
5 deposits less than the maximum two thousand four hundred dollars per year in
6 an owned account and files a single return or if married account owners deposit
7 less than the maximum of four thousand eight hundred dollars per year in an
8 account or accounts for a beneficiary and file a joint return, the difference
9 between the total deposits and two thousand four hundred dollars or four
10 thousand eight hundred dollars, respectively, shall roll over to subsequent years
11 and shall be exempt from inclusion in the account owner's taxable income for
12 the purposes of state income tax in addition to the two thousand four hundred
13 dollars or four thousand eight hundred dollars in the year actually deposited,
14 as provided in R.S. 47:293(9)(a)(xxvii).

15 Section 2. R.S. 47:293(9)(a)(xxvii) is hereby enacted to read as follows:

16 §293. Definitions

17 The following definitions shall apply throughout this Part, unless the context
18 requires otherwise:

19 * * *

20 (9)(a) "Tax table income", for resident individuals, means adjusted gross
21 income plus interest on obligations of a state or political subdivision thereof, other
22 than Louisiana and its municipalities, title to which obligations vested with the
23 resident individual on or subsequent to January 1, 1980, and less:

24 * * *

25 (xxvii) For tax years beginning on and after January 1, 2026, the amount
26 deposited in a special savings account for financing of certain qualified expenses
27 of persons with disabilities as provided in R.S. 17:3088 and any interest
28 accrued; however, any deposit plus interest withdrawn from a special savings
29 account for purposes other than paying qualified disability expenses, as defined

1 **in R.S. 17:3082, shall be included in taxable income.**

2 * * *

3 Section 2. The provisions of this Act shall be applicable for taxable periods
4 beginning on or after January 1, 2026.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

	DIGEST	
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Present law (R.S. 47:3081 et seq.) creates the Achieving a Better Life Experience in Louisiana Account Program (ABLE), a savings program that encourages and assists individuals and families in saving private funds for the purpose of supporting persons with disabilities in endeavors to maintain health, independence, and quality of life.

Proposed law retains present law.

Present law authorizes an exemption for amounts deposited into an ABLE account from the owner's state taxable income if enacted by the legislature.

Proposed law repeals present law and exempts annual deposits from ABLE account owner's state income tax annual deposits up to \$2,400 for single filers and \$4,800 for joint filers, per account. If less than the maximum annual deposits are deposited in any year, the difference between the total deposit and \$2,400 for single filers or \$4,800 for joint filers shall roll over to subsequent years and shall be exempt from inclusion in the account owner's state taxable income.

Applicable for tax periods beginning on or after January 1, 2026.

Effective August 1, 2025.

(Amends R.S. 17:3088; adds R.S. 47:293(9)(a)(xxvii))