## SLS 25RS-423

## ORIGINAL

2025 Regular Session

SENATE BILL NO. 235

BY SENATOR DUPLESSIS

TAX/INCOME/PERSONAL. Establishes an individual income tax credit for payments made toward a homeowner's insurance policy premium. (1/1/26)

1	AN ACT
2	To enact R.S. 47:297.26, relative to individual income tax; to provide for a credit toward a
3	homeowner's insurance policy premium; to provide relative to limitation of the
4	credit; to provide for refundability for certain taxpayers; to authorize the credit to be
5	carried forward in certain circumstances; to require certain taxpayers to maintain
6	documentation; to provide for rulemaking; to provide for an effective date; and to
7	provide for related matters.
8	Be it enacted by the Legislature of Louisiana:
9	Section 1. R.S. 47:297.26 is hereby enacted to read as follows:
10	§297.26. Tax credit; insurance premium
11	A. There shall be allowed a credit against the tax imposed by this
12	Chapter for an individual taxpayer who pays an insurance policy premium for
13	homeowner's insurance. In order to qualify for the credit, the taxpayer's income
14	shall not exceed an amount equal to two hundred percent of the federal poverty
15	guidelines published in the prior calendar year in the Federal Register by the
16	United States Department of Health and Human Services under its authority
17	to revise the poverty line pursuant to 42 USC 9902.

Page 1 of 3 Coding: Words which are struck through are deletions from existing law; words in **boldface type and underscored** are additions.

1	<b>B.</b> The credit shall be equal to the insurance policy premium paid for the
2	homeowner's insurance on a taxpayer's primary residence, not to exceed two
3	thousand dollars.
4	C.(1) If the credit is earned by a resident individual whose federal
5	adjusted gross income is equal to or less than twenty-five thousand dollars and
6	the credit exceeds the amount of the individual's income tax liability for the
7	taxable year, the excess tax credit shall constitute an overpayment, as defined
8	in R.S. 47:1621(A), and the secretary shall make a refund of such overpayment
9	from the current collections of the taxes imposed by this Chapter. The right to
10	a refund of any such overpayment shall not be subject to the requirements of
11	<u>R.S. 47:1621(B).</u>
12	(2) If the credit is earned by a resident individual whose federal adjusted
13	gross income is greater than twenty-five thousand dollars and the credit exceeds
14	the amount of the individual's income tax liability for the taxable period, the
15	excess tax credit may be carried forward as a credit against any subsequent
16	individual income tax liability for a period not to exceed five years.
17	<b>D.</b> Taxpayers claiming the credit shall maintain all documentation
18	necessary to verify the amount of insurance premium paid during the calendar
19	year for which a credit is claimed.
20	<b>E.</b> The secretary of the Department of Revenue may promulgate rules
21	in accordance with the Administrative Procedure Act to implement the
22	provisions of this Section.
23	Section 2. This Act shall become effective on January 1, 2026, and shall be
24	applicable to taxable periods beginning on and 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)]

SB 235 Original

## DIGEST 2025 Regular Session

Duplessis

<u>Proposed law</u> authorizes an individual income tax credit for an individual taxpayer who pays an insurance policy premium for homeowner's insurance. Further requires that the taxpayer's income shall not exceed an amount equal to 200% of the federal poverty guidelines.

<u>Proposed law</u> provides that the amount of the credit shall be equal to the insurance policy premium paid for homeowner's insurance for the taxpayer's primary residence, not to exceed \$2,000.

<u>Proposed law</u> provides that a resident individual who has a federal adjusted gross income equal or less than \$25,000 may be entitled to a refund, if the credit exceeds the tax liability for the taxable year. Further provides the overpayment shall be refunded from current collections by the secretary of the Dept. of Revenue imposed in <u>present law</u>.

<u>Proposed law</u> provides that a resident individual who has a federal adjusted gross income greater than \$25,000 is entitled to a credit carry forward if the tax credit exceeds the tax liability for the taxable year. Further limits the carry forward of excess tax credit to five years.

<u>Proposed law</u> requires a taxpayer claiming the credit to maintain all documentation necessary to verify the amount of insurance premium paid during the calendar year for which the credit is claimed.

<u>Proposed law</u> authorizes the secretary of the Dept. of Revenue to promulgate rules in accordance with the APA to administer the credit.

Effective on January 1, 2026.

(Adds R.S. 47:297.26)