2025 Regular Session

HOUSE BILL NO. 642

## BY REPRESENTATIVE WILDER

TAX CREDITS: Repeals the earned income tax credit

1	AN ACT
2	To repeal R.S. 47:297.8, relative to individual income tax; to repeal the earned income tax
3	credit; and to provide for an effective date.
4	Be it enacted by the Legislature of Louisiana:
5	Section 1. R.S. 47:297.8 is hereby repealed in its entirety.
6	Section 2. This Act shall become effective on January 1, 2026.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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)]

HB 642 Original	2025 Regular Session	Wilder
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Abstract: Repeals the earned income tax credit.

<u>Present law</u> provides for a refundable individual income tax credit based on the taxpayer's federal earned income tax credit authorized under Section 32 of the Internal Revenue Code. The amount of the credit is 5% of the amount of the taxpayer's federal earned income tax credit through Dec. 31, 2030. Beginning Jan. 1, 2031, the amount of the credit is 3.5% of the amount of the taxpayer's federal earned income tax credit.

<u>Present law</u> provides that if the credit amount exceeds the taxpayer's tax liability for the taxable year, the excess credit amount shall constitute an overpayment and shall be refunded to the taxpayer from the current collections of the taxes imposed under <u>present law</u>.

Proposed law repeals present law.

Effective January 1, 2026.

(Repeals R.S. 47:297.8)