
DIGEST

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HB 642 Original

2025 Regular Session

Wilder

Abstract: Repeals the earned income tax credit.

Present law 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.

Present law 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 present law.

Proposed law repeals present law.

Effective January 1, 2026.

(Repeals R.S. 47:297.8)