



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 330** HLS 25RS 833
Bill Text Version: **ORIGINAL**
Opp. Chamb. Action:

Proposed Amd.:
Sub. Bill For.:

Date: April 25, 2025	11:53 AM	Author: JORDAN
Dept./Agy.: Department of Revenue		
Subject: Income Tax Credit: Homeowner Insurance Premiums		Analyst: Noah O'Dell

TAX CREDITS OR -\$250,000,000 GF RV See Note Page 1 of 1
Establishes an income tax credit for annual homeowners' insurance premiums paid in excess of a certain amount

Proposed law authorizes a nonrefundable individual income tax credit to resident taxpayers on the amount, up to \$5,000, paid in excess of \$3,000 on qualifying insurance premiums paid for one or more homeowner’s insurance policies on residential property in which the taxpayer claims the homestead exemption. Taxpayers claiming the credit must maintain records to verify eligibility for the credit and the amount of credit claimed and, if requested, provide the records to the Department of Revenue (LDR) when filing the taxpayer’s income tax return. There is no limit on the aggregate number of credits that may be claimed each year.

Effective January 1, 2026 and applicable to tax years 2026-2031.

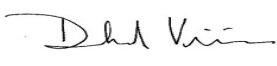
EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.		(\$250,000,000)	(\$250,000,000)	(\$250,000,000)	(\$250,000,000)	(\$1,000,000,000)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	(\$250,000,000)	(\$250,000,000)	(\$250,000,000)	(\$250,000,000)	(\$1,000,000,000)

EXPENDITURE EXPLANATION
LDR is anticipated to incur one-time expenditures for minor system design updates, testing, and system development in support of tax return modifications. LFO believes the department is able to absorb this amount within its current budget but may require additional resources if the aggregate impact of all bills enacted during this session is substantive.

REVENUE EXPLANATION
The bill is anticipated to decrease SGF revenue by an estimated \$250M beginning in FY27 when 2026 tax returns are filed. Taxpayers may claim a nonrefundable credit for the amount, up to \$5,000, paid in homeowner’s insurance policy premiums each year in excess of \$3,000. The credit is only available to residential taxpayers for homeowners policies on residential property in which the taxpayer claims the homestead exemption. The credit is available for tax years 2026-2031 and is not capped annually or in the aggregate.

The estimate of magnitude is derived from the Department of Insurance (LDI), utilizing the National Association of Insurance Commissioner’s premium data from 2021, which estimates approximately 425,481 homeowner’s premiums between \$3,000 and \$8,000 in 2025 with approximately \$355.4M eligible for the tax credit. However, there is no way to determine if these policies are on homestead exempt homes. Using LA Tax Commission’s 2024 annual report, it appears that residents claim the homestead exemption on approximately 72% of eligible primary residential property. Applying 72% to \$355.4M policies results in an estimated annual revenue loss of approximately \$255.6M each fiscal year, rounded to \$250M in the revenue table above.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}	
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	Deborah Vivien Chief Economist