



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **HB 337** HLS 25RS 713  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> May 2, 2025	9:42 AM	<b>Author:</b> WILLARD
<b>Dept./Agy.:</b> Department of Revenue		
<b>Subject:</b> Individual Income Tax Credit: Dependent Under the Age of 6		<b>Analyst:</b> Noah O'Dell

TAX CREDITS OR -\$65,200,000 GF RV See Note Page 1 of 1  
Establishes an income tax credit for taxpayers who claim a dependent under the age of six

Proposed law provides a \$500 refundable tax credit for each child under the age of six claimed as a dependent by a taxpayer on a Louisiana Income Tax Return. To be eligible for the tax credit, the taxpayer must have an adjusted gross income of \$30,000 or less for individual filers and \$60,000 or less for joint filers in the taxable year.

Effective January 1, 2026 and applicable to tax years beginning on or after 2026.

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	\$43,200	\$0	\$0	\$0	\$43,200
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	\$43,200	\$0	\$0	\$0	\$43,200

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	(\$65,200,000)	(\$65,200,000)	(\$65,200,000)	(\$65,200,000)	(\$260,800,000)
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	(\$65,200,000)	(\$65,200,000)	(\$65,200,000)	(\$65,200,000)	(\$260,800,000)

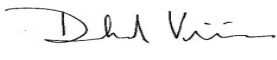
**EXPENDITURE EXPLANATION**  
LDR is anticipated to incur one-time expenditures of \$43,200 in FY27. These costs consist of \$25,200 for system design updates, testing, and system development in support of tax form modifications and \$18,000 in costs for the revenue processing center to begin capturing dependent information on returns filed on paper (that are not currently captured). LDR 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 beginning in FY27 when 2026 returns are filed. The bill provides a \$500 refundable tax credit to taxpayers with certain AGI limitations for the number of dependents under the age of six.

LFO estimates the impact of the bill would be a **revenue loss of approximately \$65.2M each year beginning in FY27**, assuming the number of dependents in this age cohort, the population of the state, and the number of eligible taxpayers by AGI remains the same in future years. LDR was able to provide the number of eligible filers who meet the \$30,000 or less AGI (single filers) and \$60,000 or less AGI (joint filers) and the number of associated dependents under the age of six. Using data from electronic returns filed for tax year 2022, the department reports there were 121,256 dependents for eligible taxpayers under the bill. This data does not include taxpayers who file paper returns. However, it indicates the potential revenue loss from these taxpayers is likely to be approximately \$60.6M (121,256 dependents x \$500). LDR reports approximately 7% of taxpayers filed paper income tax returns in 2022 that are not captured in the data reported. LFO estimates these taxpayers may increase the effect of the bill by an additional \$4.6M (9,127 dependents x \$500) if these taxpayers have a similar number of dependents under six years of age and similar income to the taxpayers reflected in the data from electronic returns. The figure in the revenue table above represents the sum of estimated impact of the bill from these two groups of taxpayers (paper filers and electronic filers).

These estimates do not assume growth in the population, number of children, or income of the eligible taxpayers determined from the 2022 LA tax return data.

Note: A portion of the SGF impact may originate as the LDR retention of 1% of income collections initially classified as SGR but ultimately reverted to the SGF for use in the budget. Should LDR reversions cease, this could become an SGR impact.

<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}	<b>Deborah Vivien</b> <b>Chief Economist</b>