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## DIGEST

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### CONFERENCE COMMITTEE REPORT DIGEST

**HB 238**

**2025 Regular Session**

**McFarland**

#### **Keyword and oneliner of the instrument as it left the House**

TAX/INCOME TAX: Provides relative to tax benefits for adoption of children from foster care and donations to foster care charitable organizations

#### **Report adopts Senate amendments to:**

1. Delete references to previously repealed La. dependency exemptions appearing in present law relative to certain education-related income tax deductions.
2. Require that, in order for a taxpayer to qualify for those deductions, a child must be claimed as a dependent on the taxpayer's federal income tax return.
3. In connection with a tax credit for donations to foster care charitable organizations, require the Dept of Children and Family Services (DCFS) to submit an annual report to the Dept. of Revenue (DOR) with information on those organizations.

#### **Report rejects Senate amendments which would have:**

1. Required DCFS to submit an annual report to DOR listing all finalized adoptions from foster care or of youth receiving extended foster care services during the previous calendar year.

#### **Report amends the bill to:**

1. Define "qualifying foster care charitable organization" and "foster care organization", for purposes of present law and proposed law, as an organization licensed by DCFS as a child placing agency to provide adoption and foster care services.
2. Repeal present law requiring that an organization seeking to become a qualifying foster care charitable organization apply to DOR for that designation.

#### **Digest of the bill as proposed by the Conference Committee**

Present law authorizes a tax deduction for adoption of children from foster care. Authorizes the secretary of the Dept. of Revenue (DOR) to promulgate rules to implement present law, including rules related to submission of documentation when claiming the deduction.

Proposed law retains present law and provides that if the rules of DOR require the submission of a deduction eligibility certification letter and the secretary of the department determines that the process of obtaining that letter is an impediment to, or causes an undue burden for, claiming of the deduction, then the secretary may amend the rules to provide for an alternative process for eligibility certification. Provides that the process may include certification on a standardized form.

Present law authorizes a tax credit for donations to certain foster care charitable organizations. Provides for defined terms and corresponding definitions applicable to present law, including a definition for "qualifying foster care charitable organization" or "foster care organization".

Proposed law changes the definition of "qualifying foster care charitable organization" or "foster care organization" to mean an organization licensed by the Department of Children and Family Services (DCFS) as a child placing agency to provide adoption and foster care services.

Proposed law repeals present law requiring that an organization seeking to become a qualifying foster care charitable organization apply to DOR for that designation.

Present law requires that, when claiming the credit for donations to foster care organizations, a taxpayer shall provide a copy of a receipt for the donation to a qualifying foster care charitable organization. Requires DOR to provide a standardized format for the receipt.

Proposed law repeals the requirement that DOR establish the format for these receipts and instead prescribes the content of the receipts (content which matches that required for charitable donation receipts for federal income tax purposes).

Proposed law requires DCFS to submit a report to DOR by Jan. 31<sup>st</sup> annually listing all qualifying foster care charitable organizations that held a valid, unsuspended, DCFS-issued license during the prior calendar year. Requires that the report be in electronic format and specifies the required content of the report.

Present law establishes income tax deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and fees and other educational expenses for a quality public education. Requires that in order for a taxpayer to claim any of these deductions, the child must qualify as a dependency exemption on the taxpayer's La. income tax return.

Proposed law repeals references to the previously repealed La. dependency exemption within present law relative to the tax deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and fees and other educational expenses for a quality public education. Requires instead that in order for a taxpayer to qualify for these deductions, a child must be claimed as a dependent on the taxpayer's federal income tax return.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2025.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 47:297.10(A), 297.11(A), 297.12(A)(intro. para.) and (B)(1), 297.20(C), and 6042(D), (E), and (F)(4); Repeals R.S. 47:6042(B))