Regular Session, 2007

HOUSE BILL NO. 365

BY REPRESENTATIVES TOWNSEND, BALDONE, BURRELL, CURTIS, DOVE, FARRAR, FAUCHEUX, GREENE, HILL, KENNEY, LORUSSO, MONTGOMERY, ODINET, RITCHIE, SCHNEIDER, AND JANE SMITH

TAX/INCOME-INDIV/EXEMPT: Provides for the deductibility of excess federal itemized deductions

AN ACT

To amend and reenact R.S. 47:293(7) and to enact R.S. 47:293(2) and (6)(a)(i), relative to the individual income tax; to provide for a deduction for excess federal itemized deductions; to provide for the effectiveness of such deduction; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:293(7) is hereby amended and reenacted and R.S. 47:293(2) and (6)(a)(i) are hereby enacted to read as follows:

§293. Definitions

The following definitions shall apply throughout this Part, unless the context requires otherwise:

* * *

<u>(2)(a) For tax years beginning after December 31, 2006, and ending prior to January 1, 2008, "excess federal itemized personal deductions" shall mean twenty-five percent of the amount by which the federal itemized personal deductions exceed the amount of federal standard deduction designated for the filing status used for the taxable period on the individual income tax return required to be filed.</u>

<u>(b) For tax years beginning after December 31, 2007, and ending prior to January 1, 2009, "excess federal itemized personal deductions" shall mean fifty</u>

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percent of the amount by which the federal itemized personal deductions exceed the amount of federal standard deduction designated for the filing status used for the taxable period on the individual income tax return required to be filed.

* * *

(6)(a) "Tax table income", for resident individuals, means adjusted gross income plus interest on obligations of a state or political subdivision thereof, other than Louisiana and its municipalities, title to which obligations vested with the resident individual on or subsequent to January 1, 1980, and less:

(i) Excess federal itemized personal deductions.

* * *

(7) "Tax table income", for nonresident individuals, means the amount of Louisiana income, as provided in this Part, allocated and apportioned under the provisions of R.S. 47:241 through 247, plus the total amount of the personal exemptions and deductions already included in the tax tables promulgated by the secretary under authority of R.S. 47:295, less the proportionate amount of the federal income tax liability, excess federal itemized personal deductions, the exclusion provided for in R.S. 47:297.3 for S Bank shareholders, and personal exemptions and deductions provided for in R.S. 47:294. The proportionate amount is to be determined by the ratio of Louisiana income to federal adjusted gross income. When federal adjusted gross income is less than Louisiana income, the ratio shall be one hundred percent.

* * *

Section 2. The provisions of this Act shall become effective for all taxable periods beginning on or after January 1, 2007.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument.

Townsend HB No. 365

Abstract: Provides for a deduction from individual income taxes for 25% of excess federal itemized personal deductions for the 2007 tax year and 50% of such deductions for the 2008 tax year.

Proposed law provides for a deduction from individual income taxes for 25% of excess federal itemized personal deductions for the 2007 tax year and 50% of such deductions for the 2008 tax year.

Proposed law defines the phrase "excess federal itemized personal deductions" to mean the amount by which the federal itemized personal deductions exceed the amount of federal standard deduction designated for the filing status used for the taxable period on the individual income tax return required to be filed.

Effective for all taxable periods beginning on or after January 1, 2007.

(Amends R.S. 47:293(7); Adds R.S. 47:293(2) and (6)(a)(i))

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Provides for a deduction of 25% of excess federal itemized personal deductions for the 2007 tax year and 50% for the 2008 tax year.

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