HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 365 by Representative Townsend

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

Synopsis of Senate Amendments

1. Changes the deduction from 100% of excess federal itemized deductions to a 3 year phase-in starting at 57.5%.

2. Removes the increase in the Louisiana deduction for federal tax liability because of decreases in federal taxes resulting from a deduction for casualty losses.

Digest of Bill as Finally Passed by Senate

Proposed law phases-in an individual income tax deduction for excess federal itemized deductions as follows:

(1) For tax years beginning during calendar year 2007, 57.5% of such excess federal itemized personal deductions.

(2) For tax years beginning during calendar year 2008, 65%.

(3) For all tax years beginning on and after January 1, 2009, 100%.

Present law defines "federal income tax liability" as the total amount of tax due the U.S. for the taxable period on the individual income tax return required to be filed by any taxpayer, except that social security and self-employment taxes are not included. Requires that, beginning for tax years starting in 2004, the federal tax liability be increased by any federal income tax credits determined to be disaster relief credits and the amount by which an individual's tax liability was decreased as a result of claiming a deduction for casualty losses.

Proposed law removes the increase in the Louisiana deduction for federal tax liability because of decreases in federal taxes resulting from a deduction for casualty losses.

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

(Amends R.S. 47:293(3) and (7); adds R.S. 47:293(2) and (6)(a)(i))