ENROLLED

Regular Session, 2007

HOUSE BILL NO. 365

BY REPRESENTATIVES TOWNSEND, ALARIO, ALEXANDER, ANDERS, ANSARDI, ARNOLD, BALDONE, BARROW, BAUDOIN, BAYLOR, BEARD, BOWLER, BRUCE, BURNS, BURRELL, R. CARTER, CAZAYOUX, CHANDLER, CRANE, CROWE, CURTIS, DAMICO, DANIEL, DEWITT, DOERGE, DORSEY, DOVE, DOWNS, DURAND, ERDEY, FANNIN, FARRAR, FAUCHEUX, FRITH, GALLOT, GEYMANN, GREENE, ELBERT GUILLORY, ELCIE GUILLORY, MICKEY GUILLORY, HARRIS, HEBERT, HILL, HONEY, HUTTER, JACKSON, JEFFERSON, KATZ, KENNARD, KENNEY, KLECKLEY, LABRUZZO, LAFLEUR, LAFONTA, LAMBERT, LANCASTER, LORUSSO, MARCHAND, MARTINY, MCDONALD, MCVEA, MONTGOMERY, MORRIS, MORRISH, ODINET, PIERRE, PINAC, PITRE, M. POWELL, T. POWELL, QUEZAIRE, RICHMOND, RITCHIE, ROBIDEAUX, ROMERO, SALTER, SCALISE, SCHNEIDER, SMILEY, GARY SMITH, JACK SMITH, JANE SMITH, JOHN SMITH, ST. GERMAIN, STRAIN, THOMPSON, TOOMY, TRAHAN, TUCKER, WADDELL, WALKER, WALSWORTH, WHITE, WILLIAMS, WINSTON, AND WOOTON AND SENATORS ADLEY, AMEDEE, BARHAM, BOASSO, BROOME, CAIN, CASSIDY, CHAISSON, CHEEK, DUPLESSIS, DUPRE, ELLINGTON, FONTENOT, B. GAUTREAUX, N. GAUTREAUX, HEITMEIER, HOLLIS, JACKSON, KOSTELKA, LENTINI, MALONE, MARIONNEAUX, MCPHERSON, MICHOT, MOUNT, MURRAY, NEVERS, QUINN, ROMERO, SCHEDLER, SMITH, THEUNISSEN, AND ULLO

AN ACT

To amend and reenact R.S. 47:293(3) and (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 modify the state deduction for federal income tax paid; 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(3) and (7) are 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) "Excess federal itemized personal deductions" for the purposes of this Part, means the following percentages of the amount by which the federal itemized personal deductions exceed the amount of federal standard deductions which is</u>

CODING: Words in ~~struck through~~ type are deletions from existing law; words <u>underscored</u> are additions.

designated for the filing status used for the taxable period on the individual income tax return required to be filed:

(a) For tax years beginning during calendar year 2007, fifty-seven and one half percent of such excess federal itemized personal deductions.

(b) For tax years beginning during calendar year 2008, sixty-five percent of such excess federal itemized personal deductions.

(c) For all tax years beginning on and after January 1, 2009, one hundred percent of such excess federal itemized personal deductions.

(3) "Federal income tax liability", for the purpose of this Part, means the total amount of tax due to the United States for the taxable period on the individual income tax return required to be filed by any taxpayer, except that:

(a) Social security taxes and self-employment taxes shall not be included.

(b)(i) Beginning for taxable years beginning in 2004, the federal income tax liability shall be increased by ~~all of the following:~~

~~(aa)~~ any federal income tax credits determined by the secretary to be disaster relief credits.

~~(bb) The amount by which an individual's federal income tax due to the United States for the taxable period was decreased as a result of claiming a deduction for casualty losses.~~

(ii) Any determination to be made by the secretary as provided for in this Subparagraph and in R.S. 47:287.85(C)(2) shall be made in accordance with rules and regulations promulgated by the secretary and approved by the Senate Revenue and Fiscal Affairs Committee and the House Committee on Ways and Means meeting jointly.

* * *

(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, the deduction for expenses disallowed by I.R.C. Section 280C, 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.

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

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ____________________