

Regular Session, 2011

SENATE BILL NO. 177

BY SENATOR HEITMEIER

TAX/INCOME/PERSONAL. Grants a non-refundable income tax credit for 10% of the deduction from gross income taken by a taxpayer on his federal income tax return for interest paid on a loan for higher education expenses. (gov sig)

AN ACT

To enact R.S. 47:297.13, relative to individual income tax; to provide a credit for interest paid on certain education loans which pay higher education expenses; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:297.13 is hereby enacted to read as follows:

§297.13. Tax credit; interest paid on higher education loans

A. There shall be credit against individual income tax due under this Part in an amount equal to ten percent of the adjustment to gross income properly taken by a resident taxpayer on his federal income tax return for the same tax period for interest paid by the resident taxpayer, or paid on behalf of a resident spouse or dependent, during that tax period for a qualified education loan incurred to pay qualified higher education expenses as provided for in Internal Revenue Code Section 221(b)(1).

B. The credit provided for in this Section shall not be allowed to a taxpayer if he, or the spouse or dependent for whom the credit is taken, is not a resident of the state of Louisiana for the tax period for which the credit is

1 **taken.**

2 Section 2. The provisions of this Act shall be applicable to tax years beginning on
3 and after January 1, 2011.

4 Section 3. This Act shall become effective upon signature by the governor or, if not
5 signed by the governor, upon expiration of the time for bills to become law without signature
6 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
7 vetoed by the governor and subsequently approved by the legislature, this Act shall become
8 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Riley Boudreaux.

DIGEST

Proposed law grants a refundable credit against individual income tax in an amount equal to 10% of the deduction from gross income properly taken by a resident taxpayer on his federal income tax return for the same tax period for interest paid by the resident taxpayer, or paid on behalf of a resident spouse or dependent, during that tax period for a qualified education loan incurred to pay qualified higher education expenses.

Proposed law specifically prohibits the credit to a taxpayer if he, or the spouse or dependent for whom the credit is taken, is not a resident of the state of Louisiana for the tax period for which the credit is taken.

Applicable to tax years beginning on and after January 1, 2011.

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

(Adds R. S. 47:297.13)