## 2015 Regular Session

HOUSE BILL NO. 234

## BY REPRESENTATIVES FOIL, BARROW, AND THIERRY

# TAX/INCOME TAX: Excludes qualified deposits in ABLE Accounts from "tax table income" for purposes of calculating individual income tax

| 1  | AN ACT   |
|----|--|
| 2  | To enact R.S. 47:293(9)(a)(xviii), relative to individual income tax; to provide relative to tax |
| 3  | table income; to exclude certain contributions to savings accounts for financing                 |
| 4  | qualified expenses of persons with disabilities; to provide for an effective date; and           |
| 5  | to provide for related matters.  |
| 6  | Be it enacted by the Legislature of Louisiana:   |
| 7  | Section 1. R.S. 47:293(9)(a)(xviii) is hereby enacted to read as follows:                        |
| 8  | §293. Definitions  |
| 9  | The following definitions shall apply throughout this Part, unless the context                   |
| 10 | requires otherwise:  |
| 11 | * * *  |
| 12 | (9)(a) "Tax table income", for resident individuals, means adjusted gross                        |
| 13 | income plus interest on obligations of a state or political subdivision thereof, other           |
| 14 | than Louisiana and its municipalities, title to which obligations vested with the                |
| 15 | resident individual on or subsequent to January 1, 1980, and less:                               |
| 16 | * * *  |
| 17 | (xviii) For tax years beginning on and after January 1, 2016, the amount                         |
| 18 | deposited in a special savings account for financing of certain qualified expenses of            |
| 19 | persons with disabilities as provided for in R.S. 46:1721 et seq., and any interest              |
| 20 | accrued; however, any deposit plus interest withdrawn from an account for purposes               |
|    |  |

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

| 1 | other than paying qualified expenses of persons with disabilities, as defined in R.S. |
|---|---|
| 2 | 46:1721 et seq. shall be included in tax table income.                                |
| 3 | * * *   |

4 Section 2. The provisions of this Act shall become effective on January 1, 2016, and

5 shall be applicable for all tax years beginning on and after January 1, 2016.

#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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Abstract: Excludes qualified deposits in ABLE Accounts from "tax table income" for purposes of calculating individual income tax.

<u>Present law</u> establishes the ABLE Account Program to assist individuals in saving private funds for the purpose of supporting persons with disabilities.

<u>Present law</u> defines "tax table income" for resident individuals for purposes of calculating individual income tax. Tax table income excludes certain grants, loans, and other expenses, deposits, and deductions.

<u>Proposed law</u> retains <u>present law</u> but adds qualified amounts deposited into ABLE Accounts as provided in <u>present law</u> from being included in tax table income.

Effective Jan. 1, 2016, and applicable to all tax years beginning on and after that date.

(Adds R.S. 47:293(9)(a)(xviii))