

2016 First Extraordinary Session

HOUSE BILL NO. 5

BY REPRESENTATIVE LEGER

TAX CREDITS: Increases the amount of the earned income tax credit (Item #26)

1 AN ACT

2 To amend and reenact R.S. 47:297.8(A), relative to individual income tax; to provide with
3 respect to the earned income tax credit; to increase the amount of the tax credit; to
4 provide for applicability of the tax credit; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:297.8(A) is hereby amended and reenacted to read as follows:

7 §297.8. Earned income tax credit

8 A. There shall be a credit against the tax imposed by this Chapter for
9 individuals in an amount equal to ~~three and one-half~~ seven percent of the federal
10 earned income tax credit for which the individual is eligible for the taxable year
11 under Section 32 of the Internal Revenue Code.

12 * * *

13 Section 2. The provisions of this Act shall be applicable for taxable years beginning
14 on and after January 1, 2016.

DIGEST

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HB 5 Original

2016 First Extraordinary Session

Leger

Abstract: For purposes of individual income tax, increases the amount of the La. earned income tax credit from 3.5% to 7% of the amount of the taxpayer's federal earned income tax credit.

Present law provides for an individual income tax credit in an amount equal to 3.5% of the amount of the taxpayer's federal earned income tax credit authorized under Section 32 of the Internal Revenue Code.

Proposed law increases the amount of the state tax credit from 3.5% to 7% of the federal tax credit.

Applicable for taxable years beginning on and after Jan. 1, 2016.

(Amends R.S. 47:297.8(A))