

**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**



Fiscal Note On: **SB 239** SLS 21RS 667  
 Bill Text Version: **ENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 27, 2021 9:52 AM	<b>Author:</b> JOHNS
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Federal Disaster Losses: FIT Deduction	

TAX/INCOME/PERSONAL EG DECREASE GF RV See Note Page 1 of 1  
 Modifies the federal income tax deduction for taxpayers impacted by 2021 hurricanes. (gov sig)

Current law provides that for tax years 2019 and 2020, claimants of the federal itemized deduction for net disaster losses attributable to Hurricanes Laura and Delta shall have their federal income tax liability (for state income tax purposes) increased by the amount which the credit reduced their federal income tax due to the United States.

Proposed law provides that for tax years 2019 and 2020, claimants of the increased federal standard deduction or the federal itemized deduction for net disaster losses attributable to Hurricanes Laura, Delta, or Zeta shall have their federal income tax liability (for state income tax purposes) increased by the amount which the credit reduced their federal income tax due to the United States.

These provisions are to be given prospective and retroactive application. Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**EXPENDITURE EXPLANATION**

The LA Department of Revenue (LDR) reports no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

Proposed law would increase the amount reported as federal income tax liability, whether tax filers itemized and claimed net disaster losses (at least \$100 of losses and greater than 10% of adjusted gross income) or did not itemize but claimed an increased federal standard deduction (at least \$500 of losses but no adjusted gross income floor). Therefore, this would increase the amount deductible against state income tax liability, and reduce state tax revenue by some unknown amount. Application to the prior tax years of 2019 and 2020 results in refunds from current tax receipts, to the extent taxpayers file amended state returns.

The result of proposed law would be an indeterminable decrease in state general fund revenues in FY22. The magnitude of the decrease will depend on the total amount of net disaster losses claimed and the applicable federal income tax rate.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Christopher A. Keaton**  
**Legislative Fiscal Officer**