

2015 Regular Session

HOUSE BILL NO. 453

BY REPRESENTATIVE STOKES

TAX CREDITS: Provides for the carry forward rather than the refund of the earned income tax credit

1 AN ACT

2 To amend and reenact R.S. 47:297.8(B), relative to individual income tax credits; to provide
3 with respect to the earned income tax credit; to remove authorization for issuance of
4 refunds for tax credits which exceed taxpayer tax liability; to authorize unused tax
5 credits amounts to be carried forward for subsequent tax liability; to provide for
6 certain limitations; to provide for effectiveness; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

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

9 §297.8. Earned income tax credit

10 * * *

11 B. If the credit against Louisiana income tax for resident individuals exceeds
12 the amount of ~~such~~ the individual's tax liability for the taxable year, then ~~such excess~~
13 ~~tax credit shall constitute an overpayment from the current collections of the taxes~~
14 ~~imposed under this Part. The right to a refund of any such overpayment shall not be~~
15 ~~subject to the requirements of R.S. 47:1621(B)~~ any unused credit may be carried
16 forward as a credit against subsequent tax liability for a period not to exceed five
17 years.

18 Section 2. The provisions of this Act shall be applicable to tax years beginning on
19 or after January 1, 2015.

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)]

HB 453 Original

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Stokes

Abstract Changes the earned income tax credit from a refundable credit to one in which unused credit amounts may be carried forward on a taxpayer's tax return for up to five years.

Present law authorizes a refundable income tax credit for resident individuals in an amount equal to 3.5% of the federal earned income tax credit for which the individual is eligible for the taxable year under present federal law.

Proposed law changes the tax credit from a refundable tax credit to a tax credit that authorizes unused amounts which exceed an individual's tax liability to be carried forward as a credit against subsequent tax liability for a period not to exceed five years.

Applicable to tax years beginning on or after Jan. 1, 2015.

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