

2020 Second Extraordinary Session

HOUSE BILL NO. 89

BY REPRESENTATIVE JAMES

TAX/INCOME TAX: Modifies the definition of "federal income tax liability" to include certain federal net disaster losses (Item #26)

1 AN ACT

2 To enact R.S. 47:293(4)(e), relative to individual income tax; to define federal income tax  
3 liability for purposes of calculating individual income tax liability; to require certain  
4 federal disaster losses to be included in the calculation of federal income tax liability;  
5 to provide for applicability; to provide for an effective date; and to provide for  
6 related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:293(4)(e) is hereby enacted to read as follows:

9 §293. Definitions

10 The following definitions shall apply throughout this Part, unless the context  
11 requires otherwise:

12 \* \* \*

13 (4) "Federal income tax liability", for the purpose of this Part, means the  
14 total amount of tax due to the United States for the taxable period on the individual  
15 income tax return required to be filed by any taxpayer, except that:

16 \* \* \*

17 (e) For taxable periods beginning after December 31, 2018, and before  
18 January 1, 2021, federal income tax liability shall be increased by the amount by  
19 which an individual's federal income tax due to the United States for the taxable

1 period was decreased as a result of claiming the federal itemized deduction for  
2 certain net disaster losses.

3 \* \* \*

4 Section 2. The provisions of this Act shall be applicable for taxable periods  
5 beginning after December 31, 2018, and before January 1, 2021.

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

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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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HB 89 Engrossed                      2020 Second Extraordinary Session                      James

**Abstract:** Modifies the definition of "federal income tax liability" to include amounts for which an individual's federal income tax liability was decreased as a result of claiming the federal itemized deduction for certain net disaster losses.

Present law defines "federal income tax liability", for purposes of the individual income tax, as the total amount of tax due to the U.S. for the taxable period on the individual income tax return required to be filed by any taxpayer, excluding social security and self-employment taxes.

Present law requires federal income tax liability to be increased by federal income tax credits determined by the secretary to be disaster relief credits.

Proposed law retains present law but requires that for taxable periods beginning after Dec. 31, 2018, and before Jan. 1, 2021, that federal income tax liability be increased by the amount by which an individual's federal income tax due to the U.S. for the taxable period was decreased as a result of claiming the federal itemized deduction for certain net disaster losses.

Provisions of proposed law shall be applicable for taxable periods beginning after Dec. 31, 2018, and before Jan. 1, 2021.

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

(Adds R.S. 47:293(4)(e))