

Regular Session, 2002

# ACT No. 25

HOUSE BILL NO. 238

BY REPRESENTATIVES L. JACKSON, K. CARTER, FAUCHEUX,  
GLOVER, MURRAY, AND WINSTON

## AN ACT

To amend and reenact R.S. 47:297(B) and (D)(3) and to enact R.S. 47:297.3, relative to individual income tax credits; to revise the credit for certain child care expenses; to provide that the credit shall be refundable for certain persons; to extend the time period for which the credit for certain educational expenses incurred for each dependent child is applicable, inoperable, and of no effect; to provide for an effective date; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 47:297(B) is hereby amended and reenacted and R.S. 47:297.3 is hereby enacted to read as follows:

§297. Reduction to tax due

\* \* \*

B. The tax determined as provided in this Part shall be reduced by the following: ~~a credit for child care~~; a credit for the elderly, a credit for contributions to candidates for public office, an investment credit, a credit for foreign tax, a work incentive credit, jobs credit, and residential energy credits. The amount of these credits shall be the

lesser of twenty-five dollars or ten percent of the same credits allowed on the federal income tax return for the same taxable period.

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§297.3. Reduction to tax due; certain child care expenses

A. There shall be a credit from the tax imposed by this Part for child care expenses for which a resident individual claims a child care tax credit on his federal tax return. The credit shall be calculated using the following percentages of the credit for child care expenses claimed on the resident individual's federal tax return:

(1) If the resident individual's federal adjusted gross income is equal to or less than twenty-five thousand dollars, the credit shall be equal to fifty percent of the federal credit.

(2) If the resident individual's federal adjusted gross income is greater than twenty-five thousand dollars and less than or equal to thirty-five thousand dollars, the credit shall be equal to thirty percent of the federal credit.

(3) If the resident individual's federal adjusted gross income is greater than thirty-five thousand and less than or equal to sixty thousand dollars, the credit shall be equal to ten percent of the federal credit.

(4) If the resident individual's federal adjusted gross income is greater than sixty thousand dollars, the credit shall be equal to the lesser of twenty-five dollars or ten percent of the federal credit.

B.(1) If the credit for resident individuals whose federal adjusted gross income is equal to or less than twenty-five thousand dollars exceeds the amount of such individual's tax liability for the taxable year, then such excess tax credit shall constitute an

overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a refund of such overpayment from the current collections of the taxes imposed under this Part. The right to a refund of any such overpayment shall not be subject to the requirements of R.S. 47:1621(B).

(2) If the credit for resident individuals whose federal adjusted gross income is greater than twenty-five thousand dollars exceeds the amount of such individual's tax liability for the taxable period, then such excess tax credit may be carried forward as a credit against any subsequent tax liability of such individual imposed by this Part for a period not exceeding five years.

Section 2. R.S. 47:297(D)(3) is hereby amended and reenacted to read as follows:

§297. Reduction to tax due

\* \* \*

D. In addition to any other credits against the tax payable on net income which the law allows to an individual taxpayer, the taxpayer shall be entitled to the tax credit against the tax payable on net income provided for as follows:

\* \* \*

(3) Notwithstanding any other provision of law to the contrary, including but not limited to any contrary provisions of this Section, for the tax years beginning on or after January 1, 2000 and prior to January 1, ~~2002~~ 2006, the tax credit provided pursuant to the provisions of this Subsection shall be inapplicable, inoperable, and of no effect.

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Section 3. The provisions of Section 1 of this Act shall become effective for all taxable periods beginning on or after January 1, 2003, and the provisions of Section 2 of this Act shall become effective for all taxable periods beginning after December 31, 2001.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_