

2021 Regular Session

HOUSE BILL NO. 61

BY REPRESENTATIVE HODGES

TAX CREDITS: Requires taxpayers claiming the earned income tax credit to provide certain residency information regarding dependents

1 AN ACT

2 To enact R.S. 47:101(C) and 297.8(A)(3) and (C), relative to individual income tax; to
3 provide with respect to the earned income tax credit; to establish additional
4 eligibility requirements for the tax credit; to require qualifying dependents to meet
5 certain requirements; to provide for requirements for claiming dependents on certain
6 income tax returns; to provide for certain limitations; to authorize the promulgation
7 of rules and regulations; to provide for applicability; to provide for effectiveness; and
8 to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:101(C) and 297.8(A)(3) and (C) are hereby enacted to read as
11 follows:

12 §101. Individual returns

13 * * *

14 C. Any taxpayer claiming a dependent on a tax return shall provide a
15 statement that the dependent has been physically present in the United States for at
16 least six months of the taxable year. The provisions of this Subsection shall not
17 apply to any taxpayer who is a member of the United States armed services, who is
18 on active duty, and who is stationed outside the state of Louisiana.

19 * * *

1 §297.8. Earned income tax credit

2 A.

3 * * *

4 (3) For a taxpayer who claims a qualifying child, as that term is defined
5 under Section 32 of the Internal Revenue Code, no credit shall be allowed under this
6 Section unless the taxpayer signs a statement on a form prescribed by the
7 Department of Revenue that the qualifying child for which the credit is claimed
8 meets all of the following requirements:

9 (a) The qualifying child was physically present in the United States at the
10 time the tax return for the taxable year was filed.

11 (b) The qualifying child has been physically present in the United States for
12 at least one hundred eighty calendar days of the taxable year unless the child was
13 born in the taxable year for which the credit is claimed.

14 (c) If the qualifying child was born in the taxable year for which the credit
15 is claimed, the qualifying child has been physically present in the United States for
16 the lesser of fifty percent of the calendar days of the taxable year since the birth of
17 the child or one hundred eighty calendar days.

18 * * *

19 C. The Department of Revenue may promulgate rules and regulations in
20 accordance with the Administrative Procedure Act as are necessary to implement the
21 provisions of this Section.

22 Section 2. This Act shall be applicable to tax years beginning on and after January
23 1, 2022.

24 Section 3. This Act shall become effective on January 1, 2022.

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 61 Original

2021 Regular Session

Hodges

Abstract: Requires taxpayers who claim the earned income tax credit to affirm to the Dept. of Revenue that a qualifying child for which the credit is claimed meets certain residency requirements.

Present law authorizes a state individual income tax credit for 5% of the amount of the taxpayer's federal earned income tax credit through Dec. 31, 2025.

Proposed law retains present law and adds a requirement that in order to receive the tax credit, an eligible taxpayer must sign a statement on a form prescribed by the Dept. of Revenue indicating that the qualifying child was physically present in the U.S. at the time the income tax return was filed for at least 180 days of the taxable year or, if born in the taxable year, the child was physically present in the U.S. for 50% of the taxable year or 180 calendar days, whichever is less.

Proposed law requires any taxpayer claiming a dependent on a tax return to provide a statement that the dependent has been physically present in the U.S. for at least six months of the taxable year. Exempts members of the U.S. armed services on active duty stationed outside the state.

Proposed law authorizes the Dept. of Revenue to promulgate rules and regulations necessary to implement the provisions of proposed law.

Effective Jan. 1, 2022, and applicable to all tax periods beginning on and after Jan. 1, 2022.

(Adds R.S. 47:101(C) and 297.8(A)(3) and (C))