

2015 Regular Session

HOUSE BILL NO. 508

BY REPRESENTATIVE FOIL

TAX/INCOME TAX: Authorizes an income tax deduction for taxpayers who employ certain qualified disabled individuals

1 AN ACT

2 To enact R.S. 47:297.13, relative to income taxation; to provide relative to individual and
3 corporation income tax deductions; to authorize an income tax deduction for
4 taxpayers who employ certain qualified disabled individuals; to provide for certain
5 definitions; to provide for certain requirements and limitations; to provide for an
6 effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297.13 is hereby enacted to read as follows:

9 §297.13. Tax deduction; employment of certain qualified disabled individuals;
10 requirements; limitations

11 A.(1) There shall be allowed a deduction from income taxes imposed by this
12 Chapter for each taxpayer who provides continuous employment to a qualified
13 disabled individual. A taxpayer shall be eligible to claim the deduction provided for
14 in this Section after employing a qualified individual with a disability for four
15 continuous months for no less than an average of twenty hours a week.

16 (2) For purposes of this Section, the term "qualified individual with a
17 disability" shall mean the following:

18 (a) A person with a severe, chronic disability that is attributable to an
19 intellectual or physical impairment or combination of intellectual and physical
20 impairments that is manifested before the person reaches the age of twenty-two and

1 is likely to continue indefinitely which results in substantial functional limitations
2 in three of more major areas of life activity, including but not limited to self-care,
3 receptive and expressive language, learning, mobility, self-direction, capacity for
4 independent living, and economic self-sufficiency. A qualified individual with a
5 disability, as defined in this Subparagraph, shall include an individual who has been
6 determined to be eligible for and is receiving services through the Office for Citizens
7 with Developmental Disabilities. A qualified individual with a disability shall also
8 include an individual who receives vocational or pre-vocational services through the
9 Home and Community Based Waiver programs, including the New Opportunities
10 Waiver and the Adult Supports Waiver.

11 (b) An individual with a service-connected disability rating of fifty percent
12 or more as designated by the United States Department of Veterans Affairs.

13 B. The amount of the income tax deduction shall be equal to fifty percent of
14 the gross wages paid to a qualified disabled individual during the individual's first
15 four continuous months of employment and thirty percent of the gross wages paid
16 to the qualified individual with a disability during each subsequent continuous month
17 of employment. The taxpayer shall be entitled to the deduction for each qualified
18 individual with a disability the taxpayer employs each taxable year; however, there
19 shall be no more than one hundred employees for which the credit is allowed
20 program wide, fifty percent of which shall be qualified individuals with a disability
21 as defined in this Section and fifty percent of which shall be an eligible individual
22 with a service-connected disability. The secretary of the Department of Revenue, in
23 consultation with the Department of Health and Hospitals and the Office of Veterans
24 Affairs, shall promulgate rules and regulations pursuant to the Administrative
25 Procedure Act for the purpose of implementing the provisions of this Section. The
26 rules and regulations may include provisions requiring taxpayers to submit
27 documentation with their returns or to specifically retain records that will enable the
28 department to determine the taxpayer's eligibility for and amount of the tax credit
29 claimed under this Section.

1 C. The taxpayer claiming this deduction shall maintain all records necessary
 2 to verify that the employer and the qualified individual with a disability for which
 3 the taxpayer is claiming the deduction meets all of the requirements as provided for
 4 in this Section.

5 D. The department, in consultation with the Department of Health and
 6 Hospitals, shall monitor the implementation and operation of the provisions of this
 7 Section and shall provide a written evaluation of the program and its effectiveness
 8 in generating employment opportunities for individuals with intellectual or
 9 developmental disabilities or individuals with service-connected disabilities, as well
 10 as whether there was any savings in Medicaid waiver expenditures.

11 Section 2. This Act shall become effective upon signature by the governor or, if not
 12 signed by the governor, upon expiration of the time for bills to become law without signature
 13 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 14 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 15 effective on the day following such approval.

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 508 Original

2015 Regular Session

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Abstract: Authorizes an income tax deduction for taxpayers who employ qualified individuals with disabilities.

Proposed law authorizes an income tax deduction for each taxpayer who provides continuous employment to a qualified individual with a disability. A taxpayer is eligible to claim the deduction after employing a qualified individual with a disability for four continuous months for no less than an average of 20 hours a week.

Proposed law limits the number of qualified individuals for which the deduction may be claimed to 100 and directs the secretary of the Dept. of Revenue, in consultation with the Dept. of Health and Hospitals and the Office of Veterans Affairs, to promulgate rules and regulations pursuant to the A.P.A. for the purpose of implementing the limitation of the availability of the deduction.

Proposed law defines a "qualified individual with a disability" as either of the following:

- (1) A person with a severe, chronic disability attributable to an intellectual or physical impairment or combination of these impairments that is manifested before the age of 22 and is likely to continue indefinitely which results in substantial functional

limitations. A qualified individual with a disability shall include individuals who have been determined to be eligible for services through the Office for Citizens with Developmental Disabilities or the Home and Community Based Waiver programs.

- (2) An individual who has a service-connected disability rating of 50% or more as designated by the U.S. Dept. of Veterans Affairs.

Proposed law provides that the amount of the deduction is equal to 50% of the gross wages paid to a qualified disabled individual during the first four continuous months of employment and 30% of the gross wages paid to the individual during each subsequent continuous month of employment. Further provides that the taxpayer is entitled to the deduction for each qualified disabled individual he employs each taxable year.

Proposed law requires the taxpayer claiming the deduction to maintain all records necessary to verify that the employer and the qualified disabled individual for which the taxpayer is claiming the deduction meets all of the requirements as provided for in proposed law.

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

(Adds R.S. 47:297.13)