
DIGEST

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HB 314 Original

2021 Regular Session

Wright

Abstract: Authorizes a nonrefundable income tax credit for donations a taxpayer makes to certain foster care organizations equal to the actual amount of the donation used by the organization to provide services to certain qualified individuals in La., or \$50,000, whichever is less.

Proposed law authorizes a nonrefundable income tax credit for donations a La. taxpayer makes during a taxable year to qualifying foster care charitable organizations, hereinafter "foster care organizations".

Proposed law provides that the amount of the credit is equal to the amount of the donation used by the foster care organization to provide services to a qualified individual, or \$50,000, whichever is less. The total amount of credits granted pursuant to proposed law shall not exceed \$500,000 per calendar year.

Proposed law requires the credits to be granted on a first-come, first-served basis. If the total amount of credits claimed in a calendar year exceeds the amount of tax credits authorized for that year, the excess shall be treated as having been claimed on the first day of the subsequent year.

Proposed law authorizes a taxpayer to carry forward the amount of the tax credit not used as an offset against the taxpayer's subsequent tax liability for a period not to exceed five taxable years.

Proposed law requires an organization that seeks to become a qualifying foster care charitable organization to apply to the Dept. of Revenue (DOR) and provide certain information. Requires a foster care organization to annually file a report with DOR.

Proposed law defines "Louisiana taxpayer" or "taxpayer" as a person who is required to file a La. income tax return.

Proposed law defines "qualifying foster care charitable organization" or "foster care organization" as an organization that meets all of the following criteria:

- (1) Is exempt from federal income tax pursuant to federal law.
- (2) Provides services to at least 25 qualified individuals each operating year.
- (3) Spends at least 75% of its total budget on providing services to qualified individuals or

spends at least 75% of its funds budgeted for La. on providing services to qualified individuals and the organization certifies to DOR that 100% of the donations it receives from La. residents will be spent on providing services to qualified individuals.

(4) Is approved by DOR after applying as provided in proposed law.

Proposed law defines a "qualified individual" as a child in a foster care placement program established by the Dept. of Children and Family Services.

Proposed law defines "services" as cash assistance, medical care, child care, food, clothing, shelter, job placement, and job-training services or any other assistance reasonably necessary to meet immediate basic needs that are provided for a qualified individual and used in La.

Proposed law requires a qualified foster care charitable organization to issue a receipt to each person from whom the foster care organization receives a donation. Requires the receipt to indicate the actual amount of the taxpayer's donation that was used by the foster care organization to provide services to qualified individuals. Requires a taxpayer to provide a copy of the receipt to DOR when claiming the credit authorized by proposed law.

Effective Jan. 1, 2022, and applicable to donations made by a taxpayer to a qualifying foster care charitable organization on or after Jan. 1, 2022.

(Adds R.S. 47:6042)