

Regular Session, 2013

HOUSE BILL NO. 699

BY REPRESENTATIVE THOMPSON

TAX/INCOME TAX: Establishes an individual income tax credit based upon overtime wages earned by eligible taxpayers whose employment is subject to the Fair Labor Standards Act

1 AN ACT

2 To enact R.S. 47:297.13, relative to individual income tax; to establish a tax credit based  
3 upon the amount of overtime wages earned by certain taxpayers; to provide for  
4 eligibility; to provide for the amount of the credit; to require recordkeeping and  
5 record retention by certain employers; to require the provision of certain information  
6 to employees; to provide for applicability; 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 credit; overtime wages; limits; recordkeeping

10 A. There is hereby established a tax credit based upon the amount of  
11 overtime wages earned by an eligible taxpayer in the tax year for which the credit is  
12 claimed. The credit may be taken against individual income tax liability in an  
13 amount equal to the product of multiplying the amount of overtime wages earned in  
14 the respective tax year by four percent; however, for purposes of this Section the  
15 maximum amount of tax credit authorized for any tax year shall be five hundred  
16 dollars per tax return, regardless of filing status.

17 B. For purposes of this Section, "eligible taxpayer" means a taxpayer whose  
18 employment is covered by the Fair Labor Standards Act, who is in possession of a  
19 record of his overtime wages for the respective tax year, and who files a Louisiana

1 income tax return which reflects an adjusted gross income of no more than fifty  
2 thousand dollars. A record of overtime wages means the record required to be  
3 maintained as provided in Subsection C of this Section.

4 C. An employer who pays overtime wages shall maintain a record of the  
5 amount of overtime hours worked and the amount of overtime wages paid to each  
6 employee each calendar year, beginning January 1, 2014. Upon the request of an  
7 employee, and unless otherwise previously provided by the employer, the employer  
8 shall provide to each employee the record of his overtime data for each tax year. The  
9 records required to be maintained pursuant to this Subsection shall be retained by the  
10 employer for three years.

11 D. The provisions of this Act shall be applicable for all tax years beginning  
12 on and after January 1, 2014.

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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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Thompson

HB No. 699

**Abstract:** Establishes an individual income tax credit of up to \$500 for certain taxpayers with an adjusted gross income of no more than \$50,000.

Proposed law establishes an individual income tax credit equal to as much as \$500 based upon overtime wages earned by an eligible taxpayer in the year for which the credit is claimed. The amount of the credit is computed by multiplying the amount of overtime wages earned in the respective tax year by 4%.

For purposes of proposed law, "eligible taxpayer" means a La. taxpayer whose employment is covered by the Fair Labor Standards Act, who is in possession of a record of his overtime wages for the respective tax year, and whose income is reported on a tax return which reflects an adjusted gross income of \$50,000 or less, regardless of filing status.

Proposed law is applicable to all tax years beginning on and after Jan. 1, 2014.

Proposed law requires employers to maintain records of overtime hours worked and wages paid. Upon the employee's request, the employer shall provide to the employee a record of overtime data for each taxable year. Records shall be retained by the employer for three years.

(Adds R.S. 47:297.13)