

Regular Session, 2005

SENATE BILL NO. 120

BY SENATOR DARDENNE

TAX/INCOME/PERSONAL. Phases-in a deduction over a 10-year period for unreimbursed medical and dental expenses claimed as an itemized deduction for federal income tax purposes. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:293(7) and to enact R.S. 47:293(6)(a)(i), relative to income
3 tax deductions; to phase-in a deduction for certain medical and dental expenses; and
4 to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 47:293(7) is hereby amended and reenacted and R.S. 47:293(6)(a)(i)
7 is hereby enacted to read as follows:

8 §293. Definitions

9 The following definitions shall apply throughout this Part, unless the context
10 requires otherwise:

11 * * *

12 (6)(a) "Tax Table Income," for resident individuals, means adjusted gross
13 income plus interest on obligations of a state or political subdivision thereof, other
14 than Louisiana and its municipalities, title to which obligations vested with the
15 resident individual on or subsequent to January 1, 1980, and less:

16 **(i) The following amounts of unreimbursed medical and dental expenses**
17 **claimed as an itemized deduction for federal income tax purposes, which exceed**

1 the amount of the federal standard deductions designated for the filing status
2 used for the taxable period on the individual income tax return required to be
3 filed:

4 (aa) For tax years beginning during the calendar year 2006, ten percent
5 of such excess expenses.

6 (bb) For tax years beginning during the calendar year 2007, twenty
7 percent of such excess expenses.

8 (cc) For tax years beginning during the calendar year 2008, thirty
9 percent of such excess expenses.

10 (dd) For tax years beginning during the calendar year 2009, forty
11 percent of such excess expenses.

12 (ee) For tax years beginning during the calendar year 2010, fifty percent
13 of such excess expenses.

14 (ff) For tax years beginning during the calendar year 2011, sixty percent
15 of such excess expenses.

16 (gg) For tax years beginning during the calendar year 2012, seventy
17 percent of such excess expenses.

18 (hh) For tax years beginning during the calendar year 2013, eighty
19 percent of such excess expenses.

20 (ii) For tax years beginning during the calendar year 2014, ninety
21 percent of such excess expenses.

22 (jj) For tax years beginning on and after January 1, 2015 and each tax
23 year thereafter, all of such excess unreimbursed medical and dental expenses
24 shall be allowed as a deduction from tax table income.

25 * * *

26 (7) "Tax table income," for nonresident individuals, means the amount of
27 Louisiana income, as provided in this Part, allocated and apportioned under the
28 provisions of R.S. 47:241 through 247, plus the total amount of the personal
29 exemptions and deductions already included in the tax tables promulgated by the

1 secretary under authority of R.S. 47:295, less the proportionate amount of the federal
 2 income tax liability, **the amount of unreimbursed medical and dental expenses**
 3 **claimed as an itemized deduction for federal income tax purposes as provided**
 4 **for in Item (6)(a)(i) of this Section**, the exclusion provided for in R.S. 47:297.3 for
 5 S Bank shareholders, and personal exemptions and deductions provided for in R.S.
 6 47:294. The proportionate amount is to be determined by the ratio of Louisiana
 7 income to federal adjusted gross income. When federal adjusted gross income is less
 8 than Louisiana income, the ratio shall be one hundred percent.

9 Section 2. The provisions of this Act shall be applicable to tax years beginning on
 10 or after January 1, 2006.

11 Section 3. 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.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Riley Boudreaux.

Dardenne (SB 120)

DIGEST

Proposed law phases-in a deduction from taxable income for the amount of unreimbursed medical and dental expenses claimed as an itemized deduction for federal income tax purposes, which exceeds the amount of the taxpayer's federal standard deduction (which is already included in the Louisiana tax tables). The phase-in is at 10% per calendar year starting in calendar year 2006 until 100% of the deduction is allowed for tax years beginning on and after January 1, 2015.

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

(Amends R.S. 47:293(7); adds R.S. 47:293(6)(a)(i))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill.

1. Phases-in the deduction over 10 years beginning in 2006.