

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 52:1511 (September 2026).

Timothy J. Temple
Commissioner

2609#006

RULE

Department of Revenue Tax Policy and Planning Division

Annual Retirement Income Exemption for Individuals 65 or Older (LAC 61:I.1311)

Under the authority of R.S. 47:44.1, 295, and 1511 and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division, amends LAC 61:I.1311 to reflect statutory changes which increase the amount of the exemption for annual retirement income for individuals aged 65 or older.

The purpose of this Rule is to implement the provisions of Act 11 of the 2024 Third Extraordinary Session, which amended R.S. 47:44.1 to increase the annual retirement exemption for individuals 65 years of age or older from \$6,000 to \$12,000 per individual for taxable periods beginning on or after January 1, 2025. Act 11 further provides that the \$12,000 exemption amount be adjusted annually for inflation. The adjusted amount applicable to each taxable year, beginning with tax year 2026, will be posted and available on the Department's website at the beginning of each calendar year.

This Rule is written utilizing plain language principles to ensure clarity and accessibility for all users. It has also been reviewed and tested for compliance with web accessibility standards. This Rule is hereby adopted on the day of promulgation.

Title 61

REVENUE AND TAXATION

Part I. Taxes Collected and Administered by the Secretary of Revenue

Chapter 13. Income: Individual

§1311. Annual Retirement Income Exemption for Individuals 65 or Older

A. For taxable periods beginning on or after January 1, 2025, R.S. 47:44.1 provides an exemption of up to \$12,000, as adjusted annually for inflation in accordance with R.S. 47:44.1, for annual retirement income received by an individual who is 65 years of age or older. Only the individual who received the annual retirement income is entitled to the exemption.

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B. - B.4.b. ...

C. Examples

1. Mary and John are married and file a joint federal and Louisiana income tax return. Both are age 65 or older. Mary worked for X Corporation for many years and retired in 2020. In 2025, she received \$30,000 in pension payments from the X Corporation's retirement plan. John's only source

of retirement income is federal Social Security, which is not included in the couple's tax table income because it is already exempt under Louisiana law. Because only Mary receives annual retirement income, Mary and John may only exempt \$12,000 of Mary's retirement income from their 2025 income taxes under this exemption. Because John is not the plan participant, he has not received any annual retirement income for purposes of the exemption.

2. Scott and Ellen are married and file a joint federal and Louisiana income tax return. Both are age 65 or older. Because they each meet the age requirement, each spouse may exclude up to \$12,324 (the inflation-adjusted amount for tax year 2026) of their own retirement income. Scott worked for ABC Corporation for many years and retired in 2025 at age 65. In 2026, he received \$30,000 in pension payments from ABC's retirement plan. Scott may exclude up to \$12,324 of this pension income. Ellen receives two types of income: Social Security benefits and an annuity. Her Social Security benefits are fully exempt under Louisiana law and are not included in this calculation. She also receives \$4,000 per year from an annuity. Because this is her only taxable retirement income, she may exclude the full \$4,000. In total, Scott and Ellen may exclude \$16,324 of retirement income on their 2026 Louisiana return.

3. Alan and Leslie are a married couple who do not live apart. Their filing status for federal and state income tax is married filing separate. Both are age 65 or older. Because they each meet the age requirement, each of them is entitled to exempt up to \$12,324 (the inflation adjusted amount for tax year 2026) of the annual retirement income each receives on their married filing separate returns. Alan receives \$10,000 of annual retirement income from an annuity. Leslie is not yet retired and receives a salary, but no annual retirement income. Alan's annuity income and Leslie's salary are community property. Because Louisiana is a community property state and the couple has chosen not to file a joint return, Leslie must report one half of Alan's annuity income, or \$5,000, on her married filing separate federal and state income tax returns. Because Leslie is not named on the annuity, she has not received annual retirement income for purposes of the exemption and cannot claim any exemption amount on her return. Because Alan is only reporting \$5,000 of his annuity income on his federal and state income tax returns, he is only entitled to an exemption of \$5,000.

4. Assume the same facts as in Example 3, except that Alan and Leslie have a separation of property agreement. As such, each spouse will report his or her own items of income and loss on his or her own married filing separate return. Alan will report the entire amount of his annuity income and will be entitled to exempt the full amount of \$10,000 of annual retirement income he receives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:44.1, 295, 1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, LR 32:259 (February 2006), amended by Department of Revenue, Tax Policy and Planning Division, LR 52:1512 (September 2026).

Jarrod J. Coniglio
Secretary

2026#024