

RULE

Department of Revenue Policy Services Division

Federal Income Tax Deduction (LAC 61:I.1307)

Under the authority of R.S. 47:293(3), R.S. 47:297.B, R.S. 47:295, R.S. 47:1511, and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, adopts LAC 61:I.1307 relative to the federal income tax deduction.

Louisiana Revised Statute 47:293(3) defines "federal income tax liability" to mean "the total amount of tax due to the United States for the taxable period on the individual income tax return required to be filed by any taxpayer, except that social security taxes and self-employment taxes shall not be included." The adoption of LAC 61:I.1307 clarifies the federal income tax deduction.

Title 61

REVENUE AND TAXATION

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

Chapter 13. Income: Personal

§1307. Federal Income Tax Deduction

A. Individual income taxpayers who deduct the federal income tax liability defined in R.S. 47:293(3) and are due a credit for foreign taxes, shall be allowed two options for computing the federal income tax liability deduction. The taxpayer may either:

1. use a federal tax liability that has been reduced by the federal credit for foreign taxes allowed by Internal Revenue Code Section 27, and take the Louisiana credit for federal credits provided by R.S. 47:297.B; or

2. use a federal tax liability that has not been reduced by the federal credit for foreign taxes allowed by Internal Revenue Code Section 27, and forego any claim to the Louisiana credit for federal credits provided by R.S. 47:297.B.

AUTHORITY NOTE: Adopted in accordance with R.S. 47:293(3), R.S. 47:297.B, R.S. 47:295, and R.S. 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, LR 28:0000 (May 2002).

Cynthia Bridges
Secretary