

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Louisiana Fortified Roof Tax Credit Program and Construction Code Retrofitting Deduction (LAC 61:I.1935 and 1937)

Under the authority of R.S. 47:293(2)(d), 1511, and 6044, and in accordance with the provisions of the Administrative Procedures Act, R.S. 49:950 et seq., the Department of Revenue, Tax Policy and Planning Division proposes to adopt LAC 61:I.1935 and 1937. These rules are necessary to effectively administer R.S. 47:293(2) relative to the Louisiana construction code retrofitting deduction, as amended by Act 473 of the 2025 Regular Session of the Louisiana Legislature, and R.S. 47:6044 relative to the Louisiana fortified roof tax credit program enacted by Act 404 of the 2025 Regular Session.

Revised Statute 47:293(2)(a)(i) authorizes a construction code retrofitting deduction equal to 50 percent of the cost of qualifying improvements made to voluntarily retrofit a taxpayer's primary residence to comply with the State Uniform Construction Code or the FORTIFIED home standards of the Insurance Institute for Business and Home Safety. The deduction is limited to \$10,000 per retrofitted residential structure and must be claimed for the tax year in which the retrofitting is completed.

Revised Statute 47:6044 establishes a nonrefundable income tax credit for Louisiana resident taxpayers who install a fortified roof, as certified by the Insurance Institute for Business and Home Safety, on their primary residence. The credit is equal to the amount of qualified expenses, up to \$10,000 per residence, and applies only to certain owner-occupied homes with a homestead exemption. Credits which exceed the taxpayers liability may be carried forward for up to three years but cannot be claimed in combination with other state tax benefits or fortified roof grant funds received pursuant to R.S. 22:1483.1. The program is capped at \$10 million in credits per fiscal year, allocated on a first-come, first-served basis, with proration required if the amount of requests received exceed available credit cap space.

The proposed Rule outlines the requirements for earning and the processes for claiming the construction code retrofitting deduction and the fortified roof tax credit.

Title 61

REVENUE AND TAXATION

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

Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1935. Louisiana Fortified Roof Tax Credit Program

A. General

1. Revised Statute 47:6044 authorizes a nonrefundable income tax credit for Louisiana residents who install a fortified roof, as certified by the Insurance Institute for Business and Home Safety, on qualifying property owned by the taxpayer for which the resident taxpayer claims a homestead exemption.

B. Definitions

1. Terms not otherwise defined in this Section shall have the meaning given to them in R.S. 47:6044, unless the context clearly indicates otherwise.

2. For purposes of this Section, the following words have the meanings provided herein, unless the context clearly indicates otherwise.

Department—the Louisiana Department of Revenue.

FORTIFIED—a program of the IBHS.

FORTIFIED Designation—a written certificate issued by the IBHS confirming that a qualifying property meets or exceeds the IBHS fortified roof standards.

FORTIFIED Home Evaluator—an independent, third party who has completed the FORTIFIED training requirements and is certified by the IBHS as a home evaluator who can certify that a home meets the FORTIFIED roof standards. A list of certified home evaluators can be found at www.fortifiedproviders.com.

Insurance Institute for Business and Home Safety (IBHS)—a non-profit research and communications organization of the property and casualty insurance industry that defines the fortified roof standards for homes, information for which can be found at www.fortifiedhome.org.

LFRTCP-Approved Contractor—a contractor listed in the IBHS Directory at www.fortifiedproviders.com who meets the program requirements of this Section.

Louisiana Fortified Roof Tax Credit Program (LFRTCP)—a program enacted by Act 404 of the 2025 Regular Session, administered by the department, to provide an individual income tax credit to incentivize homeowners to retrofit roofs of insured property, as defined in R.S. 22:1483(C)(9), with a homestead exemption utilizing construction techniques demonstrated to reduce losses caused by a hurricane, tornado, or other catastrophic windstorm event and that meet or exceed the IBHS FORTIFIED roof standard, information for which can be found at www.ibhs.org.

C. Credit Eligibility Requirements. All of the following requirements shall be met to earn the credit:

1. The home shall be a qualifying property in good repair unless damaged by a hurricane, non-hurricane wind, or hail.

2. The fortification work shall comply with the requirements of Subsection D.

3. The taxpayer shall be responsible for paying a certified home evaluator of the homeowner's choice to provide an IBHS home evaluation as well as all other costs and fees necessary to satisfy the requirements of this Section, including, but not limited to, legally required permits or inspections. These expenses shall not constitute qualifying expenses for purposes of the credit.

D. Fortified Roof Installation Requirements

1. Prior to installation, a FORTIFIED home evaluator of the homeowner's choice must provide the homeowner with an IBHS home review evaluation of the home seeking to be FORTIFIED.

2. The FORTIFIED home evaluator shall determine whether the home meets a minimum structural standard on a pass-fail basis before identifying all improvements required to meet or exceed the FORTIFIED roof standard. Thereafter, the FORTIFIED home evaluator shall summarize his findings in a report and provide a copy to the homeowner.

3. After meeting the requirements of Paragraph (1) and (2) of this Subsection, the taxpayer must contract with an LFRTCP-approved contractor to fortify the home. Once the LFRTCP-approved contractor completes the fortification work on the home, the contractor must provide the taxpayer with a copy of the signed contract, a final invoice, and a completed Form R-90157-B, LFRTCP Qualifying Expenses.

4. After meeting the requirements of Paragraphs (1), (2), and (3) of this Subsection, a certified home evaluator will perform all required evaluations to confirm that the LFRTCP-approved contractor completed the fortification work according to the IBHS FORTIFIED roof standard. Thereafter, the IBHS shall review the evaluation and determine whether to issue a FORTIFIED designation.

E. Documentation Requirements

1. To apply for the Louisiana fortified roof tax credit, a resident taxpayer shall complete and submit Form R-90157, Application for Louisiana Fortified Roof Tax Credit together with Form R-90157-B, LFRTCP Qualifying Expenses which has been completed by the LFRTCP-approved contractor who performed the fortification work. Completed applications must be submitted electronically through the Louisiana Taxpayer Access Point (LaTAP) and shall include all of the following supporting documents:

a. A copy of the report prepared by a FORTIFIED home evaluator which identifies all improvements required to meet or exceed the FORTIFIED roof standard.

b. A copy of the signed contract with an LFRTCP-approved contractor.

c. A copy of the final invoice issued by the LFRTCP-approved contractor.

d. A copy of the FORTIFIED designation which lists the date of certification.

2. The Department shall notify each taxpayer that submitted a timely and complete application as to whether the application has been approved or denied. If approved, the notice shall indicate the amount of credit earned and the taxable periods against which the nonrefundable credit(s) may be used. If denied, the notice shall provide the reasons for denial.

3. An application shall not be considered complete until all documentation requested by the department has been received. Failure to respond within 60 days of a request for documentation from the department will result in denial of the application and require the submission of a new application with an updated application date.

F. Contractor Eligibility Requirements

1. To be eligible to work as an LFRTCP contractor, the contractor must meet all of the following program requirements:

a. holds a valid residential license or home improvement registration issued by the Louisiana State Licensing Board for Contractors (LSLBC) and be in good standing with the LSLBC.

b. holds any other valid state or jurisdictional business licenses or work permits required by law in Louisiana.

c. maintains a general liability policy with \$1,000,000 in liability coverage.

d. maintains a workers' compensation policy in compliance with Louisiana law.

e. holds a FORTIFIED certification issued by the IBHS or its successor.

f. is listed on the IBHS Directory as an approved contractor at www.fortifiedproviders.com.

g. complies with all regulatory and tax laws regulating businesses in the state of Louisiana.

G. Conflicts of Interest

1. LFRTCP-approved contractors

a. LFRTCP-approved contractors cannot possess a financial interest in any projects for which they perform work toward a FORTIFIED designation other than for payment by the homeowner for services rendered.

b. LFRTCP-approved contractors cannot be the FORTIFIED home evaluator for a FORTIFIED designation on any project eligible for the LFRTCP.

2. FORTIFIED home evaluators

a. FORTIFIED home evaluators cannot possess a financial interest in any projects for which they perform work toward a FORTIFIED designation other than for payment by the homeowner for services rendered.

b. FORTIFIED home evaluators cannot be the LFRTCP-approved contractor or supplier of any material, products, or systems installed in any home they inspect for FORTIFIED designation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and 47:6044.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Policy and Planning Division, LR 51:

§1937. Construction Code Retrofitting Deduction

A. General Provisions

1. Pursuant to R.S. 47:293(2)(a)(i), a deduction is allowed for 50 percent of the cost paid or incurred by a taxpayer to voluntarily retrofit the taxpayer's primary residence to comply with either the State Uniform Construction Code (SUCC) or the FORTIFIED home standards developed by the Insurance Institute for Business and Home Safety (IBHS).

B. Definitions

1. The definitions set forth in R.S. 47:293(2)(a)(1) shall apply for purposes of this Section.

2. In addition, and unless inconsistent with the enabling statute or this Section, the definitions found in LAC 61:I.1935 shall apply to this Section.

C. Documentation Requirements

1. Taxpayers claiming the SUCC deduction must provide the following with their return:

a. proof that the improvements meet SUCC requirements, including copies of relevant SUCC sections and receipts or invoices verifying project costs.

b. a written statement confirming the retrofitting was done voluntarily and not required due to new construction or insurance-related repairs from previous damage.

2. Taxpayers claiming the deduction for retrofitting pursuant to the IBHS FORTIFIED standard must comply with the IBHS certification process as outlined in LAC 61:I.1935(D) and shall submit the following additional information with their return:

a. Form R-90157-B, LFRTCP Qualifying Expenses, as completed by the LFRTCP-approved contractor.

b. the report issued by a FORTIFIED Home Evaluator certifying that the home meets a minimum structural standard and identifying necessary improvements to meet or exceed the FORTIFIED Roof standard.

c. a copy of the signed contract with an LFRTCP-approved contractor.

d. the final invoice issued by the LFRTCP-approved contractor.

e. the FORTIFIED designation issued by IBHS, which lists the date of certification.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:293(2)(a)(i) and 47:1511.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Tax Policy and Planning Division, LR 51:

Family Impact Statement

The proposed Rule should not have any known or foreseeable impact on any family as defined by R.S. 49:972(D) or on family formation, stability and autonomy. Specifically, the implementation of this proposed Rule will have no known or foreseeable effect on:

1. the stability of the family.
2. the authority and rights of parents regarding the education and supervision of their children.
3. the functioning of the family.
4. family earnings and family budget.
5. the behavior and personal responsibility of children.
6. the ability of the family or a local government to perform this function.

Poverty Impact Statement

This proposed Rule will have no impact on poverty as described in R.S. 49:973.

Small Business Analysis

The proposed Rule is not anticipated to have a significant adverse impact on small businesses as defined in the Regulatory Flexibility Act. The agency, consistent with health, safety, environmental and economic factors has considered and, where possible, utilized regulatory methods in drafting this proposed amendment to accomplish the objectives of applicable statutes while minimizing any anticipated adverse impact on small businesses.

Provider Impact Statement

The proposed Rule will have no known or foreseeable effect on:

1. the staffing levels requirements or qualifications required to provide the same level of service.
2. the total direct and indirect effect on the cost to the provider to provide the same level of service.
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

Any interested person may submit written data, views, arguments or comments regarding these proposed amendments to Brad Blanchard, Attorney, Tax Policy and Planning Division, Office of Legal Affairs by mail to P.O. Box 44098, Baton Rouge, LA 70804-4098. All comments must be received no later than 4:30 p.m., October 27, 2025.

Public Hearing

Interested persons may submit a written request for a public hearing no later than October 10, 2025, at 4:30 p.m. Requests may be submitted either by mail, addressed to Brad Blanchard, Attorney, Tax Policy and Planning Division, Office of Legal Affairs, P.O. Box 44098, Baton Rouge, LA

70804-4098, or via email to bradley.blanchard@la.gov and reference Louisiana Fortified Roof Tax Credit Comments. If the criteria set forth in R.S. 49:961(B)(1) are satisfied, a public hearing will be held on October 28, 2025, at 10:30 a.m. in the River Room, located on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, LA 70802, for all interested persons to attend and submit oral or written comments. To confirm whether or not the public hearing will be held, please visit the department's website at: <https://revenue.louisiana.gov/tax-policy/rules-regulations> and under "Types" select "Nonemergency Rulemaking." In accordance with the Americans with Disabilities Act, should individuals with a disability need an accommodation in order to participate, contact Brad Blanchard at the address given above in the Public Comments section, by email at LDRadarequests@la.gov or by phone at (225) 219-2780.

Richard Nelson
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Louisiana Fortified Roof Tax Credit Program and Construction Code Retrofitting Deduction

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule is anticipated to increase \$93,317 SGR expenditures and one T.O. position in the Department of Revenue beginning in FY 26. One Revenue Tax Specialist with a salary and related benefits of \$93,317 will be necessary to review and process applications and returns associated with the fortified roof tax credit. Implementation of this proposal will result in no additional expenditures for computer system development and modification, tax return redesign, and testing.

The purpose of this proposed rule is to implement Act 404 of the 2025 Regular Session, which enacted R.S. 47:6044 to provide a nonrefundable individual income tax credit to Louisiana residents who install a fortified roof, as certified by the Insurance Institute for Business and Home Safety (IBHS), on their primary residence. The proposed rules outline the requirements for claiming the deduction, an application process, and the procedure for approving credits under the established \$10,000,000 fiscal year cap on granted credits.

Additionally, the proposal implements Act 473 of the 2025 Regular Session, which amends R.S. 47:293(2) to increase the Louisiana construction code retrofitting deduction to a maximum of \$10,000 and expands eligibility. Specifically, Act 473 repeals previous restrictions on voluntary retrofitting costs for a primary residence under the State Uniform Construction Code (SUCC), and expands qualifying expenditures to include any expenses necessary to voluntarily comply with the SUCC. Act 473 also expands qualifying expenditures to include voluntary retrofitting costs that allow a primary residence to meet the IBHS FORTIFIED home standards.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule is anticipated to decrease SGF revenue by an indeterminable amount via reduced individual income tax receipts beginning in FY 26. The decrease to the state general fund is indeterminable because the number of individuals who may retrofit their residential property under the fortified roof tax credit or the new eligibility criteria of the construction retrofitting deduction is speculative. While the amount of income tax foregone cannot be determined, the fortified roof tax credit is limited to \$10,000 per residence and \$10 M total

credits issued each fiscal year. No credits shall be issued after December 31, 2031. The construction code retrofitting deduction is limited to \$10,000 per retrofitted residential structure to be claimed in the year the retrofitting is completed.

With no local income tax, there are no anticipated effects on revenue collections of local governments.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule provides a nonrefundable tax credit to qualifying individuals and increases the size and expands the eligibility of an existing income tax deduction. Homeowners will incur expenses relating to fortify home evaluations and certifications to claim the construction code retrofit deduction or the nonrefundable Louisiana fortified roof credit. Taxpayers will have to complete the application process and/or attach documentation to their return. Additional costs for completion and submission of the required paperwork for this proposed rule are expected to be minor. Homeowners enabled to retrofit residences to fortified roof standards may realize an economic benefit. Businesses specializing in fortified roof installations and certifications of fortified roof installations may realize an indeterminable benefit to the extent that Act 404 increases baseline installations of fortified roofs statewide.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

To the extent that the provisions of Act 404 increase the number of fortified roof installations over the historical baseline, businesses may realize increased employment opportunities.

Richard Nelson
Secretary
2509#054

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Revenue Tax Policy and Planning Division

Tax Credit Documentation Requirements (LAC 61:I.1902, 1903, and 1905)

Under the authority of 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, Tax Policy and Planning Division, proposes to amend LAC 61:I.1902, 1903, and 1905.

R.S. 47:1624(F) authorizes the suspension of the accrual of interest during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide information or documentation required by statute or regulation. The purpose of these amendments is to set forth the information and documentation required to be provided by a taxpayer claiming the inventory tax credit, certain school readiness tax credits, and the credit for property taxes paid by certain telephone companies.

Title 61

REVENUE AND TAXATION

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

Chapter 19. Miscellaneous Tax Exemptions, Credits and Deductions

§1902. Inventory Tax Credits

A. - D.3. ...

E. Documentation for Claiming the Credit

1. The following documentation shall be submitted with any return claiming the credit at the time of filing:

a. Form R-10610, Schedule of Ad Valorem Tax Credit Claimed by Manufacturers, Distributors, and Retailers;

b. a copy of the ad valorem (property) tax assessment prepared by the assessor's office; and

c. a copy of the cancelled check or receipt of electronic payment for the ad valorem (property) tax assessment.

2. A manufacturer that has claimed the property tax exemption under the Industrial Tax Exemption Program (ITEP) during the taxable year in which the local inventory taxes were levied and members of a consolidated federal income tax return that includes a manufacturer who has claimed the property tax exemption under ITEP must submit the following documentation with the return at the time of filing:

a. Form R-10610-ITE, Schedule of Ad Valorem Tax Credit Claimed by ITEP Manufacturers for Ad Valorem Tax Paid on Inventory;

b. a copy of the ad valorem (property) tax assessments prepared by the assessor's office; and

c. a copy of the cancelled check or receipt of electronic payment for the ad valorem (property) tax assessments.

3. The accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide any of the information or documentation required herein, as provided by R.S. 47:1624(F).

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:1511 and 6006.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR 27:1705 (October 2001), amended by the Department of Revenue, Tax Policy and Planning Division, LR 51:

§1903. Administration of the School Readiness Tax Credits

A. - A.3. ...

4. The accrual of interest shall be suspended during any period of time that a delay in the issuance of a refund is attributable to the taxpayer's failure to provide any of the information or documentation required herein, as provided by R.S. 47:1624(F).

B. - B.1. ...

2. The provider shall complete the provider portion of the credit certificate and shall submit the certificate to each taxpayer who had a child at the facility during the calendar year no later than January 31 of the succeeding year. The provider portion of the credit certificate will include, but not be limited to, the following information: the child care facility name, the child care facility star rating, the child care facility Louisiana tax identification number, the child care facility license number, the name of the child attending the facility and the issue date and effective year. The provider shall submit to the Department of Revenue a list of all taxpayers to whom a certificate was issued.

3. ...

4. The Department of Education shall provide information necessary for the Secretary of the Department of Revenue to determine the child care provider's quality rating.

C. - C.1.d. ...