

**Revenue Information Bulletin No. 21-011**

**April 8, 2021**

**Individual Income Tax**

**Adjustments to the Federal Income Tax Deduction for  
Individuals Impacted by Hurricane Laura or Hurricane Delta  
Act 26 of the 2020 Second Extraordinary Session**

The purpose of this bulletin is to explain the impact of recent legislation to the federal income tax deduction for individuals impacted by Hurricanes Laura or Hurricane Delta.

**Federal Tax Relief**

Under federal law, affected taxpayers in a federally declared disaster area have the option of claiming disaster-related casualty losses on their federal income tax return for either the year in which the event occurred or the prior year. If the individual elects to claim the loss in the prior year, the individual amends the prior year income tax return to claim a federal tax refund attributable to the disaster loss.<sup>1</sup>

**Federal Tax Relief Impact to Louisiana Tax**

As a general rule, if a Louisiana individual income taxpayer amends his or her federal income tax return, the taxpayer is required to amend the Louisiana income tax return. The reason for the requirement to amend the Louisiana income tax return is because the Louisiana income tax return largely piggybacks the federal income tax return. For instance, a change in federal income tax liability as a result of an amended federal income tax return changes the Louisiana income tax deduction for federal income tax liability.

Specific to personal casualty losses, an amended federal income tax return that increases the deduction for personal casualty losses related to a 2020 qualified major disaster reduces federal income tax liability. This reduction in federal income tax liability results in a reduced Louisiana income tax deduction for federal income tax liability. As the Louisiana income tax deduction for the federal income tax liability decreases, the Louisiana income tax liability increases.

**State Tax Relief**

To avoid this result, Act 26 of the 2020 Second Extraordinary Session provided state specific relief to accompany the federal relief. Based on the relief provisions of Act 26,

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<sup>1</sup> For more information on the federal rules related to claiming disaster losses, see [IRS Publication 547](#) and IRS announcements related to Hurricanes [Laura](#) and [Delta](#).

Louisiana individuals are generally not required to file amended 2019 Louisiana income tax returns if the only reason for the amended federal income tax return was to claim the federal relief provisions for personal casualty losses related to Hurricane Laura or Hurricane Delta.

However, taxpayers may amend their Louisiana individual income tax returns to claim a larger excess federal itemized personal deduction allowed pursuant to R.S. 47:293(9)(a)(xi)<sup>2</sup> and claim the additional refund that may be due. The original federal income tax liability remains the same on the amended Louisiana return.<sup>3</sup>

For taxpayers claiming the personal casualty losses related to Hurricane Laura or Hurricane Delta on the 2020 federal individual income tax return, when completing the 2020 Louisiana individual income tax return, the taxpayer will compute the federal return without the personal casualty loss and report that federal income tax liability as the federal income tax deduction.

Questions concerning this publication may be submitted by e-mail to [Policy.Publications@La.gov](mailto:Policy.Publications@La.gov).

**Kimberly Lewis Robinson**  
**Secretary**

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<sup>2</sup> If a taxpayer claims the increased standard deduction attributable to disaster losses, the individual is not eligible for the excess federal itemized personal deduction.

<sup>3</sup> See [Revenue Information Bulletin 18-012](#) for similar relief related to 2017 disasters. Note that, with respect to Hurricanes Laura and Delta, Scenarios 2 and 3 are applicable to the relief under Act 26 and this bulletin. (Page 3 of 7)