



Revenue Information Bulletin 22-015
September 14, 2022
Individual Income Tax

Military Pay Exclusion from Louisiana Individual Income Tax

Act 161 of the 2021 Regular Session of the Louisiana Legislature changed the state income tax exemption amount from \$30,000 to \$50,000 for certain military personnel beginning in tax year 2022. Taxpayers who served 120 or more consecutive days on full-time active duty as a member of the United States armed forces are allowed an exemption of up to \$50,000 for compensation paid by the armed forces while stationed outside of Louisiana.

Example: On January 15, 2022, Taxpayer A went on active duty outside of Louisiana and continuously remained on active duty outside the state through December 1, 2022, when he returned to Louisiana. Up to \$50,000 of compensation paid to Taxpayer A by the armed forces during the period from January 15, 2022, through December 1, 2022, is exempt from Louisiana income tax. In this example, Taxpayer A will owe Louisiana income tax on any compensation paid by the armed forces for work from January 1, 2022, through January 14, 2022, as well as compensation paid by the armed forces for work from December 1, 2022, and December 31, 2022.

To claim this exemption, a taxpayer should report the exempt amount on Form IT-540, *Louisiana Resident Income Tax Return*, Schedule E, Code 10E. If the taxpayer claiming the exemption is a part-year resident and makes Louisiana their home-of-record during the taxable year, the taxpayer should include any exempted amount on the Nonresident and Part-Year Resident (NPR) Worksheet, Code 10E. Taxpayers should attach a copy of the official orders, including endorsements that establish 120 plus consecutive days of out-of-state active duty.

For questions concerning a taxpayer's return, please contact the Customer Contact Center at (855) 307-3893.

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Secretary