



Revenue Information Bulletin No. 06-018
March 7, 2006
Individual Income Tax

Adjustments to the Federal Income Tax Deduction for Casualty Losses

Act 25 of the 2006 First Extraordinary Session provides, in part, for an adjustment to the Louisiana federal income tax deduction to account for casualty losses incurred. A taxpayer's federal income tax deduction will be increased by the same amount his federal income tax was decreased on his federal return by claiming the casualty loss deduction. Act 25 is effective for all tax years beginning after December 31, 2003.

In order for a taxpayer to get the benefit of Act 25 and receive a higher federal income tax deduction for Louisiana state tax purposes, the taxpayer will have to recalculate his federal tax liability. The taxpayer will have to compute his federal tax liability as if he hadn't taken a deduction for the casualty losses.

Interested parties should contact Taxpayer Services at (225) 219-7318.

Cynthia Bridges
Secretary

Historical Note: This RIB supercedes RIB 05-033 which dealt with adjustments to the federal income tax deduction for casualty losses caused by Hurricanes Katrina and Rita.

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