



**Revenue Information Bulletin No. 06-023
May 8, 2006
Individual Income Tax**

**Excess State Tax Refund Not Proper Adjustment on Schedule E of Louisiana
Resident Personal Income Tax Return**

The Department has received a number of individual income tax returns on which individuals have been attempting to take a deduction on Schedule E for state income tax refunds they were required to include in federal adjusted gross income. There is no Louisiana income tax deduction for state income tax refunds included in federal adjusted gross income. For Louisiana individual income tax purposes, adjusted gross income is defined in La. Rev. Stat. 47:293(1) as the adjusted gross income for an individual for the taxable year that is reported on the individual's federal income tax return. La. Rev. Stat. 47:293(6) (a) defines "tax table income" for residents as federal adjusted gross income increased and decreased by various modifications. None of the modifications relate to refunds of state income tax that are included in federal adjusted gross income.

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

Cynthia Bridges
Secretary

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