

Department of Insurance - Tax Rebate, Credit, and Deduction

Summary of three opportunities

1. Property owners are entitled to a state tax rebate whether you owe taxes or not - if you were charged the Louisiana Citizens Property Insurance Corporation assessment on your 2008 policy. And, if you have not submitted your rebate for 2007, it's not too late to do so.
2. A one-time state tax credit is available for seven percent of the premiums you may have paid on your primary residence for homeowners, condominium owners, or tenant homeowners insurance in 2008. Any Citizens assessment must be subtracted from the total premium paid before applying the seven percent tax credit rate.
3. Property owners impacted by Hurricanes Gustav or Ike can claim uncompensated damages that exceeded \$100 with the Federal Hurricane Tax Deduction on their 2008 taxes.

Citizens Tax Credit and Hurricanes Gustav/Ike Tax Deduction 2009 60-Second Radio Commercial

This is Insurance Commissioner Jim Donelon reminding Louisiana property owners about two important savings for the upcoming tax season.

Property owners are eligible for a state rebate if you were charged the Louisiana Citizens assessment on your 2008 policy. Almost \$21 million or 1/3 of available money went unclaimed in 2007. If you have not yet submitted your rebate for 2007, it is not too late to do so.

Property owners impacted from Hurricanes Gustav or Ike can claim damages that exceeded \$100 with the Federal Hurricane Tax Deduction on their 2008 taxes. This will help those who faced property losses, especially unexpected hurricane deductibles. Remember to claim your 2008 Citizens State Rebate and Federal Hurricane Tax Deduction when filing your taxes. For more information call us at 1-800-259-5300.

Louisiana Citizens Insurance Tax Credit

Consumers can go to the Department of Insurance web site for a Louisiana Citizens Tax Credit link on the left side column that goes to the Department of Revenue web site. Here forms are found that are needed to file for this tax rebate. The Department of Insurance web site is www.lidi.state.la.us. The Department of Revenue web site link is: <http://www.rev.state.la.us/sections/general/calac/default.aspx>

Seven Percent State Tax Credit on Primary Residence Insurance Premiums for 2008

Act 447 (HB 678) enacts R.S. 22:3301–3311 and R.S. 47:297.7, to establish the Insure Louisiana Incentive Program, which provides financial incentives to encourage additional insurers to participate in the voluntary property insurance market in order to increase the availability of property insurance. The Act also creates a refundable credit against individual income tax for seven percent of the premiums paid by individuals on their primary residence for homeowners' insurance, condominium owners' insurance, or tenant homeowners' insurance. The Act provides that any Citizens Property Insurance Corporation assessment must be subtracted from the total premium paid before applying the seven percent credit rate.

Note: Act 371, amended R.S. 47:297.7 as enacted by Act 447 to provide that the credit only applies to tax years beginning during 2008.

Federal Hurricane Tax Deduction

As a plus for us in Louisiana, Public Law (PL) 110-343 (a federal law) contains a much-needed tax-relief package for hurricane victims, allowing them to claim more of their hurricane damages on their taxes for 2008. This will compensate for the additional expense due to named storm deductibles many homeowners faced with damages from Hurricanes Gustav and Ike last September. This tax relief package allows taxpayers to claim damage that exceeds \$100 on their federal taxes for 2008. Previously, hurricane casualty losses were limited to 10% of adjusted gross income. Now, qualifying disaster losses are not subject to that limit. This addition to the national rescue package is one we in Louisiana know will lift the burden of everyone facing storm related expenses. Consumers can refer to IRS Pub 547 for tax year 2008 to get the details on the Federal Hurricane Tax Deduction: <http://www.irs.gov/publications/p547/index.html>