

Income/Franchise:

Louisiana: New Law Provides Individual Income Tax Exemption for Some Qualifying Digital Nomads

S.B. 31, signed by gov. 6/16/21. New law provides a temporary individual income tax exemption for 50% of gross wages attributable to certain remote work performed in Louisiana, up to a maximum of \$150,000, for some defined “digital nomads,” which potentially may apply for two of the four taxable years of 2022, 2023, 2024, and 2025. Qualifying participants generally must:

URL: <https://legis.la.gov/legis/BillInfo.aspx?s=21RS&b=SB31&sbi=y>

1. Not have resided in Louisiana for any of the prior three years,
2. Establish residency in Louisiana after December 31, 2021,
3. Work remotely in Louisiana full-time for a nonresident business, and
4. Have major medical insurance coverage.

Under this new law, the Louisiana Department of Revenue must limit the number of participating individuals to 500 for the life of this “digital nomad” exemption program. The exemption officially expires as of December 31, 2025. Please contact us with any questions.

— Robert Topp (Houston)
Managing Director
Deloitte Tax LLP
rtopp@deloitte.com

Joe Garrett (Birmingham)
Managing Director
Deloitte Tax LLP
jogarrett@deloitte.com

Michael Matthys (Houston)
Senior Manager
Deloitte Tax LLP
mmatthys@deloitte.com

Grace Taylor (Houston)
Senior Manager
Deloitte Tax LLP
grtaylor@deloitte.com

This document contains general information only and Deloitte is not, by means of this document, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This document is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. Deloitte shall not be responsible for any loss sustained by any person who relies on this document.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.