



Revenue Information Bulletin No. 08-019
July 21, 2008
Individual Income Tax

The Effect of *Department of Revenue of Kentucky v. Davis* Decision in Louisiana

On May 19, 2008, the U.S. Supreme Court ruled in *Department of Revenue of Kentucky v. Davis*, 553 US ___ (2008), that Kentucky's exemption of interest on bonds issued by the state or its political subdivisions from state income tax does not violate the Commerce Clause of the U.S. Constitution. The ruling does not require the same Kentucky exemption of interest on bonds issued by other states or their political subdivisions from Kentucky state income tax.

In light of this decision, the Louisiana Department of Revenue will continue to consider interest income from bonds of other states taxable, while continuing to exempt interest on bonds issued by Louisiana or its political subdivisions for individual income tax purposes. Additionally, the Department will not issue refunds to taxpayers who have paid Louisiana income tax on interest income on bonds issued by other states or their political subdivisions and filed a claim for refund for such amounts.

Questions can be directed to the Department's Taxpayer Services Division at (225) 219-0067.

Cynthia Bridges
Secretary

A Revenue Information Bulletin (RIB) is issued under the authority of LAC 61:III.101.D. A RIB is an informal statement of information issued for the public and employees that is general in nature. A RIB does not have the force and effect of law and is not binding on the public or the Department.