
The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Leonore Heavey.

SB 95 Engrossed

DIGEST
2017 Regular Session

Morrish

Present law authorizes a rebate for donations made to a school tuition organization (STO) by a taxpayer who files a Louisiana income tax return. The donation must be used by the STO to provide scholarships to qualified students to attend a qualified school. The amount of the rebate is equal to the actual amount of the taxpayer's donation used by an STO to fund a scholarship, exclusive of administrative costs.

Proposed law replaces the rebate with a nonrefundable tax credit that is equal to the actual amount of the taxpayer's donation used by an STO to fund a scholarship, exclusive of administrative costs for all donations made after December 31, 2017. Proposed law also specifies that in order to qualify for the credit, the taxpayer must be required to file a Louisiana income tax return.

Proposed law provides the credit may be used in addition to any federal tax credit or deduction earned for the same donation, but prohibits the taxpayer from receiving any other state tax credit, exemption, exclusion, deduction or any other benefit for which the taxpayer has received a credit for the donation.

Proposed law provides a three-year carryforward for credits that cannot be used in the year originally earned.

Present law provides that the rebate may be paid only after the conclusion of the school year and after certain requirements are satisfied. Proposed law retains present law with the exception of replacing the rebate with the credit.

Present law defines an "STO". Proposed law retains present law.

Present law defines a "qualified school" and permits the Department of Education to prohibit a school from participating in the rebate if the school does not conduct criminal background checks on its employees and exclude from employment any person not permitted by state law to work in a nonpublic school.

Proposed law requires the Department of Education to bar a school that does conduct such criminal background checks and exclude such persons prohibited from working in a nonpublic school from employment.

Present law requires the STO to provide a public report to the Department of Education regarding all scholarships awarded in the previous fiscal year which contains information regarding donations received, scholarships awarded in the previous fiscal year, and the actual tuition and fee amounts for attendance at each qualified school by January first of each year.

Proposed law provides that failure of the STO to report accurately and timely to the Department of Education shall result in the STO being barred from participating in the credit for the current and upcoming academic years and authorizes the Department of Education to grant an extension of up to 30 days for good cause.

Present law requires that the Department of Education ensures the public, with an emphasis of parents in public schools with a letter grade "D" or "F", be aware of the scholarships and shall provide requirements for STO to adequately advertise the availability of scholarships to the public.

Proposed law replaces the requirement that the STO advertise to the public with a requirement that the STO shall notify the public but otherwise retains present law.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Amends R.S. 47:6301(A)(1), (2)(intro para) and (c), (3), (B)(1)(c)(vii) and (ix), (2)(a)(i),(C)(1)(e), and (2) repeals R.S. 47:6301(D))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Changes amount of credit to actual amount of the taxpayer's donation used by an STO to fund a scholarship.
2. Removes \$50,000 cap.
3. Retains priority for students that participated in the Student Scholarships for Educational Excellence Program.
4. Authorizes the Department of Education to grant an extension of up to 30 days for good cause to an STO to meet its January reporting requirement.