

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 477** HLS 25RS 918

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 25, 2025	3:28 PM	<b>Author:</b> FREIBERG
<b>Dept./Agy.:</b> Department of Revenue		
<b>Subject:</b> Income Tax Credit: Lab Schools in Student Tuition Org. Prog.		<b>Analyst:</b> Noah O'Dell

**TAX CREDITS**

OR SEE FISC NOTE SG RV

Page 1 of 1

Authorizes university laboratory schools to participate in the student tuition organization tax credit program

Current law authorizes a nonrefundable income tax credit for donations a taxpayer makes to a school tuition organization (STO) when those organizations pay the tuition for qualified students to attend nonpublic qualified schools. The value of scholarships are limited to the lesser of actual tuition or 80-90% of the state Minimum Foundation Program (MFP) per pupil funding, depending on the grade level of the student. Students are prohibited from receiving any other publicly funded scholarship. Only under certain circumstance can scholarships be targeted to specific students.

Proposed law adjusts the definition of qualified schools to include laboratory schools operated by a public college or university. Proposed law otherwise retains current law.

Effective January 1, 2026. Applicable to donations made for the 2026-27 school year and thereafter.

<b>EXPENDITURES</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	<b>SEE BELOW</b>					
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>

**Annual Total**

<b>REVENUES</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>2029-30</b>	<b>5 -YEAR TOTAL</b>
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Local Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>

**Annual Total**

**EXPENDITURE EXPLANATION**

The bill changes the criteria of qualified schools to include laboratory schools operated by a public college or university. Per the Department of Education (DOE), no other qualified schools in the program receive MFP funding.

DOE reports there are currently four laboratory schools located throughout the state, with one additional school under construction at the University of Louisiana at Lafayette. All four of the lab schools receive a level of MFP funding\* per pupil from the state. To the extent students receive a scholarship from an STO in addition to MFP funding per pupil in an amount that surpasses the state MFP funding per pupil, the bill may work to increase the costs to the state for these particular students. Aggregate MFP funding from the state is subject to appropriation.

For informational purposes, the DOE reports there are currently four participating STOs registered in the state that awarded scholarships to approximately 3,603 students during the 2023-2024 school year.

\*Northwestern State University Lab School and Southeastern Louisiana University Lab School receive the same level of MFP per pupil as schools in their respective school systems (Tangipahoa and Natchitoches). Louisiana State University Lab School and Southern University Lab school receive a reduced level 4 amount of MFP per pupil funding.

**REVENUE EXPLANATION**

The bill adds laboratory schools to the definition of qualified schools that qualified students may attend. The bill makes no changes to the value of or eligibility for the nonrefundable income tax credit that taxpayers receive for donations to STOs. The state's revenue consequences of the program are contingent upon the level of donations to STOs. It appears there is little financial incentive provided by the bill for taxpayers to increase the amount of donations. However, LFO can envision a scenario where taxpayers may choose to provide targeted donations to students with disability who attend these particular schools. To the extent the bill increases targeted donations that would otherwise not happen under current law, eligible credits claimed may increase, reducing state general fund receipts. Otherwise, LFO assumed taxpayer donation behavior would remain the same.

According to the LDR's 2024-2025 Tax Exemption Budget, the revenue loss associated with the STO credit in FY24 totaled \$18.7M. The estimated revenue loss is currently forecasted to be \$21.8M for FY25 and \$26.9M for FY26.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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