

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 27** SLS 25RS 153

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 1, 2025	8:15 PM	Author: TALBOT
Dept./Agy.: Department of Revenue / Department of Education		Analyst: Noah O'Dell
Subject: Income Tax Credit: School Tuition Organizations		

TAX/TAXATION

RE SEE FISC NOTE See Note

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Provides relative to the tax credit for donations to school tuition organizations. (gov sig)

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 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 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 retains current law with respect to the income tax credit but allows students to accept scholarships from this program concurrently with those from other publicly funded programs. The combined scholarships received may not exceed actual tuition and fees. The Dept. of Education is required to verify combined scholarship amounts do not exceed actual tuition and fees at the qualified school. Effective upon governor's signature

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

Annual Total

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The bill permits students who receive an STO scholarship to receive other publicly funded financial aid. To the extent certain students receive an STO scholarship and other publicly funded financial aid, the proposed measure may work to increase the cost to the state for those particular students. The bill allows students to stack financial aid in an amount that potentially surpasses 100% of MFP per pupil funding. Aggregate expenditures on public scholarships to K-12 students (such as LA GATOR) and MFP funding are limited by appropriation.

Both LA GATOR and the STO scholarships share several of the same eligibility criteria for qualified students. LA GATOR contains no restrictions that prevent a student from receiving STO scholarships, leading LFO to believe a scenario is plausible in which students receive both in amounts to be determined independently of one another by the STOs and BESE. LFO has no basis for estimating the number of students who may be awarded both scholarships or how much the combined scholarship awards may exceed MFP funding per pupil. However, the bill prevents students from receiving combined scholarship amounts that exceed actual tuition and fees. The Dept. of Education (DOE) shall verify combined scholarships amounts do not exceed tuition. There are no anticipated costs associated with DOE monitoring of scholarships.

For informational purposes, 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.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. The bill makes no changes to the value of or eligibility for the nonrefundable income tax credit that taxpayers receive for donations to STOs.

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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