

2017 Regular Session

HOUSE BILL NO. 534

BY REPRESENTATIVE JAMES

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/TAX REBATES: Authorizes a rebate for taxpayers who donate to certain higher education scholarship and grant programs

1 AN ACT

2 To enact Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:6361, relative to rebates; to authorize a rebate for certain
4 donations to the Louisiana Office of Student Financial Assistance for certain
5 postsecondary education scholarship and grant programs; to provide for a program
6 cap; to provide for definitions, requirements, and limitations; to provide for the
7 amount, approval, and issuance of rebates; to authorize the promulgation of rules and
8 regulations; to provide for an effective date; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of
11 1950, comprised of R.S. 47:6361, is hereby enacted to read as follows:

12 CHAPTER 5. REBATES FOR DONATIONS TO POSTSECONDARY
13 EDUCATION SCHOLARSHIP AND GRANT PROGRAMS

14 §6361. Rebates; donations to postsecondary education scholarship and grant
15 programs

16 A. There shall be allowed a rebate for donations a taxpayer makes during a
17 taxable year to the Louisiana Office of Student Financial Assistance, hereinafter
18 referred to as LOSFA, which administers the state's postsecondary education
19 scholarship and grants programs. Upon making his donation, the donor shall indicate
20 the duration of time which LOSFA may retain and carryforward his donation. The

1 time may be indicated as being in perpetuity or for a stated period of time coinciding
2 with a fiscal year of the state of Louisiana, the minimum of which shall not be less
3 than twelve months or one fiscal year, whichever occurs later. The amount of the
4 rebate shall be equal to the actual amount of the taxpayer's donation used by LOSFA
5 for a postsecondary education scholarship or grant, which shall not include
6 administrative costs. No more than two percent of each donation shall be used by
7 LOSFA for administrative costs.

8 B. In order to qualify for the rebate, all of the following shall occur:

9 (1) The donation shall be made by a taxpayer who files a Louisiana income
10 tax return.

11 (2) The donation shall be used by LOSFA to provide a postsecondary
12 education scholarship or grant for tuition and fees to help cover the cost of attending
13 postsecondary education institutions in the state for students who are eligible to
14 receive a Louisiana GO Grant pursuant to R.S. 17:3046.

15 C. The total amount of rebates granted by the department in any calendar
16 year shall not exceed five million dollars. Claims for rebates shall be allowed on a
17 first-come, first-served basis. Any taxpayer whose claim exceeds the amount of
18 rebates that the department is authorized to grant in a calendar year may claim the
19 rebate in the next calendar year and his claim shall have priority over other claims
20 filed after the date and time of his original claim.

21 D. The Department of Revenue shall provide a standardized format for a
22 receipt to be issued by LOSFA. The Department of Revenue shall require a taxpayer
23 to provide a copy of the receipt when claiming the rebate authorized by this Section.

24 E. Notwithstanding any provision of law to the contrary, the secretary of the
25 Department of Revenue shall make the rebate authorized pursuant to the provisions
26 of this Section from the current collections of the taxes imposed by Title 47 of the
27 Louisiana Revised Statutes of 1950. The secretary may promulgate rules and
28 regulations in accordance with the Administrative Procedures Act to implement the
29 provisions of this Section.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 534 Reengrossed

2017 Regular Session

James

Abstract: Authorizes a rebate for donations to the Louisiana Office of Student Financial Assistance (LOSFA) for a postsecondary education scholarship or grant and caps the amount of rebates authorized annually at \$5M.

Proposed law authorizes a rebate for donations a taxpayer makes during a taxable year to the La. Office of Student Financial Assistance (LOSFA), which administers the state's postsecondary education scholarship and grants programs. The amount of the rebate shall be equal to the actual amount of the taxpayer's donation used by LOSFA for a postsecondary education scholarship or grant, which shall not include administrative costs.

Proposed law prohibits more than 2% of each donation from being used by LOSFA for administrative costs.

Proposed law provides that the rebate may be paid only if the following requirements are satisfied:

- (1) The donation is made by a La. taxpayer.
- (2) The donation is used to help cover the cost of attending an in-state postsecondary education institution for a student who is eligible to receive a La. GO Grant pursuant to present law.

Proposed law establishes a program cap not to exceed \$5M in rebates granted by the Dept. of Revenue each calendar year and provides for the claim of rebates on a first-come, first-served basis. A taxpayer whose claim is disallowed due to the cap may claim the rebate in the next calendar year and have priority over other claims.

Proposed law requires the Dept. of Revenue to provide a standardized format for a receipt to be issued by LOSFA and requires a taxpayer to provide a copy of the receipt when claiming the rebate authorized by proposed law. Further authorizes the sec. of the Dept. of Revenue to promulgate rules to implement the provisions of proposed law.

(Adds R.S. 47:6361)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Prohibit more than 2% of each donation from being used on administrative costs.
2. Require that a donation made pursuant to proposed law be used to assist with costs of attending in-state postsecondary education institutions for students eligible to receive a La. GO Grant.
3. Authorize the secretary of the Dept. of Revenue to promulgate rules in accordance with the APA.

The House Floor Amendments to the engrossed bill:

1. Add an annual \$5M program cap and a provision that the claims of credits are on a first-come, first-served basis and allows taxpayer whose claims is disallowed due to the cap to claim the credit in the next calendar year and have priority over other claims.