

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



Fiscal Note On: **HB 175** HLS 18RS 447  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> March 8, 2018 2:01 PM	<b>Author:</b> JAMES
<b>Dept./Agy.:</b> Revenue	<b>Analyst:</b> Jodi Mauroner
<b>Subject:</b> Reimbursement contributions to postsecondary scholarships	

TAX/TAX REBATES OR DECREASE GF RV See Note Page 1 of 1  
 Authorizes a rebate for taxpayers who donate to certain higher education scholarship and grant programs

Proposed law provides a rebate for donations made by a taxpayer to the Louisiana Office of Student Financial Assistance (LOSFA), which are used for post secondary education scholarships or grants to students who are eligible to receive a Louisiana Go Grant, not to include administrative costs. Not more than two percent of each donation shall be used by LOSFA for administrative costs. LOSFA may retain and carry forward donations in perpetuity or for a stated period of time which shall be not less than one year. The amount of the rebate shall be equal to the actual amount of a taxpayer's donation used by LOSFA for a grant.

Applicable to donations for students attending schools in the 2018 - 2019 school year and thereafter.

<b>EXPENDITURES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There will be an indeterminable increase in expenditures of LOSFA to administer the scholarship awards. The extent of the increase will be determined by the amount of donations and scholarships awarded. These costs may be covered by an allocation of the donation amount not to exceed 2% for administrative costs.

**REVENUE EXPLANATION**

To the extent individuals or businesses make contributions to LOSFA and claim reimbursement, payments will be made by the Department of Revenue (DOR) before deposit of tax collections into the state treasury, and charged against gross state tax collections (most likely the personal and corporate income tax).

Actual annual program reimbursements are indeterminable and will depend upon the level of participation by taxpayers and students. Proposed legislation mimics the initial version of the school tuition donation rebate program authorized by ACT 25 of 2012 (STO). That program ramped up relatively slowly at first, but has demonstrated considerable growth in the five years since it began. First year STO rebates totaled \$61,000 with scholarship awards for the 2016-2017 school year estimated at \$7 M. Total exposure to state revenue for the historical five year period of the STO program is \$11.4 M. Consequently, it can be expected that the rebate program established by this bill will exhibit relatively low costs in the early years, but ramp-up to greater annual costs as the program becomes known and utilized.

Senate Dual Referral Rules  
 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}  
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

House  
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}  
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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