

2018 Regular Session

HOUSE BILL NO. 175

BY REPRESENTATIVES JAMES AND GLOVER

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
6 requirements and limitations; to provide for the amount, approval, and issuance of
7 rebates; to provide for a program cap; 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 grant 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. At the time of making
4 a donation, a donor may designate or earmark a donation to provide a scholarship or
5 grant for tuition and fees at a particular postsecondary institution in this state. The
6 amount of the rebate shall be equal to the actual amount of the taxpayer's donation
7 used by LOSFA for a postsecondary education scholarship or grant, which shall not
8 include administrative costs. No more than two percent of each donation shall be
9 used by LOSFA for administrative costs.

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

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

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

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

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

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

1 regulations in accordance with the Administrative Procedure Act to implement the
2 provisions of this Section.

3 Section 2. The provisions of this Act shall be applicable to donations to the
4 Louisiana Office of Student Financial Assistance for postsecondary education scholarships
5 or grants for students to attend postsecondary education institutions in this state for the 2018-
6 2019 school year and thereafter.

7 Section 3. This Act shall become effective upon signature by the governor or, if not
8 signed by the governor, upon expiration of the time for bills to become law without signature
9 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
10 vetoed by the governor and subsequently approved by the legislature, this Act shall become
11 effective on the day following such approval.

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 175 Reengrossed

2018 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.

Proposed law authorizes a rebate for donations a taxpayer makes during a taxable year to the LOSFA, which administers the state's postsecondary education scholarship and grant 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 authorizes a donor to designate or earmark a donation for a scholarship or grant at a particular postsecondary institution.

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 donation is made by a La. taxpayer and 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.

Proposed law authorizes the Dept. of Revenue to promulgate rules to implement the provisions of proposed law.

Applicable to donations to LOSFA for postsecondary education scholarships or grants for students to attend institutions in this state for the 2018-2019 school year and thereafter.

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

(Adds R.S. 47:6361)

Summary of Amendments Adopted by House

The House Floor Amendments to the engrossed bill:

1. Limit the total amount of rebates that may be granted by the Dept. of Revenue in a calendar year to \$5 million and provides for the granting of rebates on a first-come, first-served basis.