

2019 Regular Session

SENATE BILL NO. 224

BY SENATOR BOUDREAUX

TAX/INCOME/PERSONAL. Provides for the individual income tax credit for donations to school tuition organizations. (1/1/20)

1 AN ACT

2 To amend and reenact R.S. 47:6301(A)(1), (B)(1)(c)(v), (ix), and (x), relative to the credit

3 for donations to school tuition organizations; to provide for timing and distribution

4 of scholarship payments; to provide relative to the annual report; and to provide for

5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6301(A)(1), (B)(1)(c)(v), (ix), and (x) are hereby amended and

8 reenacted to read as follows:

9 §6301. Credit; donations to school tuition organizations

10 A.(1) For donations made on or after January 1, 2018, there shall be allowed

11 a nonrefundable income tax credit for donations a taxpayer makes during a taxable

12 year to a school tuition organization that provides scholarships to qualified students

13 to attend a qualified school. In order to qualify for the credit, the donation shall be

14 made by a taxpayer who is required to file a Louisiana income tax return. The

15 amount of the credit shall be equal to the actual amount of the taxpayer's donation

16 ~~used~~ **paid out or reserved** by a school tuition organization to fund a scholarship to

17 a qualified student, which shall not include administrative costs.

1 * * *

2 B.(1) * * *

3 (c) A school tuition organization which provides scholarships to qualified
4 students shall do all of the following:

5 * * *

6 (v) Distribute scholarship payments in ~~September, December, February, and~~
7 ~~May of each year as checks made out to a parent of a qualified student which are~~
8 **mailed October and February of each year** to the qualifying school where the
9 student is enrolled. The parent shall ~~restrictively endorse the check~~ **approve the**
10 **scholarship payment** for deposit into the account of the school. The parent shall not
11 designate any entity or individual associated with the school as the parent's attorney
12 to ~~endorse a scholarship check~~ **approve a scholarship payment**. Any parent who
13 receives payments in accordance with the provisions of this Section shall not be
14 allowed to claim the amount received as any other credit, deduction, exemption, or
15 rebate under Title 47 of the Louisiana Revised Statutes of 1950. **A school tuition**
16 **organization may withhold scholarship payments designated for a qualified**
17 **student if one or more previous payments were not approved by the parent for**
18 **deposit into the account of the qualified school where the student is or was**
19 **previously enrolled**. If a student who has received a scholarship ceases to be
20 enrolled in a qualified school, the school shall immediately notify the respective
21 ~~student~~ **school** tuition organization and the Department of Education that the student
22 is no longer enrolled. Upon receipt of such notification, the ~~student~~ **school** tuition
23 organization shall cease making payments to the school for that student. **Scholarship**
24 **payments made by a school tuition organization shall not be claimed for the**
25 **purposes of any other credit, deduction, exemption, or rebate**.

26 * * *

27 (ix) Provide a public report to the Department of Education which contains
28 information regarding all scholarships awarded or granted in the previous state fiscal
29 year. The report shall be prepared by a certified public accountant and shall be

1 submitted to the department no later than the ~~first~~ **last** day of January each year. The
 2 report shall contain the name and address of the school tuition organization, the total
 3 number and total dollar amount of donations received during the previous state fiscal
 4 year, the total number and total dollar amount of educational scholarships awarded
 5 to qualified students, the total amount expended on administrative costs, and the
 6 percentage breakdown of donations expended on scholarship and administrative
 7 costs during the previous state fiscal year. The report shall include the actual tuition
 8 and fee amounts published by the qualifying schools which enrolled a student with
 9 a scholarship from that school tuition organization. The report shall also contain the
 10 total amount of contributions received by the school tuition organization, the total
 11 amount of contributions made by each contributor during the previous calendar year,
 12 and the social security number or Louisiana taxpayer identification number of each
 13 contributor. Failure of a ~~student~~ **school** tuition organization to report all information
 14 required in this Item to the Department of Education by the ~~first~~ **last** day of January,
 15 unless ~~granted an extension of no more than thirty days by the Department of~~
 16 ~~Education for good cause~~ **the school tuition organization applies for a thirty-day**
 17 **extension before the report due date**, shall be deemed sufficient noncompliance
 18 of this Section and shall result in the tuition organization being barred from
 19 participating in the credit authorized under this Section for the current school year
 20 and the upcoming school year. An electronic format of this report shall be furnished
 21 to the Department of Revenue by the Department of Education on or ~~by the first day~~
 22 ~~of February~~ **before the first day of March** of each year.

23 (x) Annually demonstrate its financial accountability through a financial
 24 information report that complies with uniform financial accounting standards. The
 25 report shall be prepared by a certified public accountant and shall be submitted to the
 26 Department of Education. ~~The report shall contain a certification from an auditor that~~
 27 ~~the report is free of material misstatements.~~

28 * * *

29 Section 2. This Act shall become effective on January 1, 2020.

