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## DIGEST

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HB 592 Original

2019 Regular Session

Foil

**Abstract:** Excludes amounts deposited into education savings accounts for tuition expenses at elementary and secondary schools under the START K12 Program from state income tax and authorizes the payment of earnings enhancements.

Present law provides for the La. Student Tuition Assistance and Revenue Trust Kindergarten Through Grade Twelve (START K12) Program, an education savings program for certain expenses associated with enrolling in grades kindergarten through 12. The START K12 Program is similar to the La. Student Tuition Assistance and Revenue Trust (START) Program, except the former is for certain expenses associated with an elementary or secondary school and the latter is for certain expenses associated with an institution of postsecondary education.

Present law excludes a portion of annual deposits from a START Program account owner's state tax table income for up to \$2,400 for single filers and \$4,800 for joint filers, per account. If less than the maximum annual deposits are deposited in any year, then the difference between the total deposit and \$2,400 for single filers or \$4,800 for joint filers shall rollover to subsequent years and shall be exempt from inclusion in the account owner's state taxable income.

Proposed law retains present law and excludes annual deposits to a START K12 Program account owner's state tax table income.

Present law provides for earnings enhancements, a "state match" on deposits between 2% and 14% annually for the START program; such rate depends on the account category and the account owner's income. Further, present law establishes the "Savings Enhancement Fund" as a special permanent subaccount within the START Program and provides that the legislature shall annually appropriate state general funds to be deposited by the treasurer in this fund. Provides that this fund shall be used for earnings enhancements for START accounts.

Proposed law retains present law and authorizes a state match for the START K12 Program at the same rates applicable to the START Program in present law and provides that the Savings Enhancement Fund shall also be used to fund earnings enhancements for the START K12 Program.

Effective Jan. 1, 2020.

(Amends R.S. 17:3100.2(3) through (13) and 3100.6(B)(2); Adds R.S. 17:3100.2(14) and (15), 3100.5(A)(1)(a) and (b), (F)(5), and (G), 3100.6(D), (E), (F) and (G), and R.S. 47:293(9)(a)(xviii))

