

GREEN SHEET REDIGEST

HB 20

2020 Second Extraordinary Session

Edmonds

TAX/INCOME TAX. Provides relative to income tax deduction for certain educational expenses incurred during the COVID-19 pandemic (Item #26)

DIGEST

Proposed law establishes an income tax deduction for educational coaching services for an in-person facilitator of virtual education delivered by a public or approved nonpublic elementary or secondary school that were paid by the taxpayer between March 13, 2020, and Dec. 31, 2020, as a result of the COVID-19 pandemic that occurred in 2020.

Proposed law provides that the amount of the deduction shall be equal to the actual amount of educational coaching services paid by the taxpayer per eligible child or \$5,000, whichever is less. Prohibits the amount of the deduction from exceeding the total taxable income of the individual.

Proposed law defines "approved nonpublic elementary or secondary school" as a nonpublic elementary or secondary school located in La. which complies with the criteria set forth in *Brumfield, et al. v. Dodd, et al.* and complies with Section 501(c)(3) of the Internal Revenue Code, or any public elementary or secondary laboratory school which is operated by a public college or university.

Proposed law defines "in-person facilitator of virtual education" as an individual providing in-person instruction or assistance to one or more elementary or secondary school students who is at least 18 years old at the time services are provided or, if not 18 years old at the time services are provided, who graduated from high school. The individual providing the in-person instruction or assistance shall not be the taxpayer or a member of the taxpayer's immediate family.

Proposed law defines "eligible child" as a student who qualifies as a dependency exemption on the taxpayer's La. income tax return for either the taxable year or the prior taxable year.

Proposed law prohibits expenses claimed by a taxpayer pursuant to proposed law from being eligible for the educational expense deductions or child care credit provided for in present law.

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

(Adds R.S. 47:293(9)(a)(xix) and 297.15)

Summary of Amendments Adopted by House

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

1. Delete provisions extending the deduction to tuition and mandatory fees for a student who transferred to an approved nonpublic elementary or secondary school that offered in-person educational services.
2. Add definition for "in-person facilitator of virtual education".
3. Add prohibition against expenses claimed by a taxpayer pursuant to proposed law from being eligible for other educational expense deductions provided for in present law.

The House Floor Amendments to the engrossed bill

1. Change the defined term from "immediate family member" to "immediate family" and add the children of the taxpayer to the definition.
2. Add the taxpayer to the list of individuals ineligible to perform in-person instruction or assistance and qualify for the deduction in proposed law.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the reengrossed bill

1. Limits the deduction to expenses actually paid.
2. Adds prohibition against expenses paid being used for both proposed law deduction and present law child care credit.
3. Makes technical corrections.