

HOUSE SUMMARY OF SENATE AMENDMENTS

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)

Synopsis of Senate Amendments

1. Limits the deduction to expenses actually paid rather than *paid or incurred*.
2. Adds prohibition against expenses claimed by a taxpayer pursuant to proposed law from being eligible for the child care tax credit pursuant to present law.
3. Adds requirement that proposed law is applicable to taxable periods beginning on and after Jan. 1, 2020, and on or before Dec. 31, 2020.
4. Makes technical amendments.

Digest of Bill as Finally Passed by Senate

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.

Proposed law is applicable to income taxable periods beginning on and after Jan. 1, 2020, and on and before Dec. 31, 2020.

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

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