



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **SB 152** SLS 21RS 197  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 10, 2021	1:25 PM	<b>Author:</b> BARROW
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Tanesha Morgan
<b>Subject:</b> Tax credit		

TAX/TAXATION

OR SEE FISC NOTE GF RV

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Establishes a tax credit for foster caregivers for expenses associated with a foster child attending a postsecondary educational institution. (gov sig)

Proposed law authorizes an annual individual refundable income tax credit for foster caregivers who incur post-secondary educational expenses on behalf of their foster children. The credit is 100% of the allowable educational expenses paid during the year up to \$20,000 per year. Eligible educational expenses include tuition, fees, textbooks, and instructional materials associated with the foster child's attendance at a post-secondary educational institution. The credit is available for educational expenses incurred during tax years 2022 - 2025. Effective upon governor's signature.

<b>EXPENDITURES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

  

<b>REVENUES</b>	<b>2021-22</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$0</b>					<b>\$0</b>

**EXPENDITURE EXPLANATION**

DCFS indicates only minor expenses associated with establishing information coordination with the Department of Revenue. The Dept of Revenue would incur expenses to incorporate an additional tax credit into the tax processing system. These expenses are typically several thousands of dollars of staff time for system design/programming and testing.

**REVENUE EXPLANATION**

According to DCFS, there are approximately 25 foster children that attend a postsecondary educational institution. However, none of these children reside with a foster caregiver. They all reside either on their own, with friends, or in a transitional living program. Therefore, currently, there are no foster caregivers that are eligible to receive this credit.

However, to that extent that a foster child that attends a postsecondary educational institution lives with a foster caregiver who incurs postsecondary educational expenses on behalf of the foster child, then the foster caregiver will be eligible for a refundable credit of up to \$20,000 related to those expenses.

As a refundable credit, the full amount of available credit would be extended to caregivers regardless of their tax liabilities, resulting in state fiscal exposure of up to \$20,000 per year, per participating foster child.

Note: This credit will be available for expenses incurred during tax years 2022 through 2025. The earliest any credit exposure could be realized against the state fisc is FY23, on tax returns filed in the spring of 2023 for tax year 2022.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

**Gregory V. Albrecht**  
**Chief Economist**