
DIGEST

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HB 443 Engrossed

2021 Regular Session

Beaullieu

Abstract: Provides the amount of the school tuition organization tax credit is the amount of the donation and makes changes relative to the distribution, endorsement, and reservation of scholarship payments.

Present law provides for a nonrefundable tax credit equal to the actual amount of a taxpayer's donation actually used by a school tuition organization (STO) to fund a scholarship, exclusive of administrative costs. Further provides that to qualify for the credit, the taxpayer must be required to file a La. income tax return. Present law provides the credit is earned at the time the donation is made.

Proposed law provides that the amount of the credit is the amount of the donation instead of the amount used by the STO to fund a scholarship. Otherwise retains present law.

Present law provides the donation made to a STO shall be used by the organization to provide scholarships for tuition and fees for qualified students to attend a qualified school. Further provides that no more than five percent of the donation can be used by the STO for administrative or promotional costs.

Present law provides the amount of scholarships awarded by a STO shall equal the amount of donations the organization receives minus the permitted administrative costs. Further provides that no less than 95% of the monies received by the STO from taxpayer donations shall be used to provide scholarships to students.

Present law requires an STO to distribute scholarship payments in Sept., Dec., Feb., and May of each year as checks made out to a parent of a qualified student and mailed to the school where the student is enrolled. Further requires the parent to restrictively endorse the check for deposit into the account of the school and prohibits the parent from designating any entity or individual associated with the school as the parent's attorney to endorse a scholarship check.

Proposed law changes the distribution of the scholarship payments by the STO from four times a year to twice a year.

Present law provides a scholarship payment method in the form of a check restrictively endorsed by a parent. Proposed law retains present law but permits an electronic funds transfer requiring parental approval deposit into the school as an alternative scholarship payment method. Proposed law prohibits a parent from designating any entity or individual associated with the school as the parent's

attorney to approve payment of the scholarship.

Proposed law adds authorization for an STO to withhold scholarship payments to a parent or qualified student if previous scholarship payments have not been approved for deposit into the school account where the student is or was previously enrolled.

Present law requires the STO to provide a public report to the Dept. of Education (DOE) which contains information regarding all scholarships awarded or granted in the previous fiscal year. The report is required to contain information regarding the STO, the number and amounts of donations received by the STO, and the number and amounts of scholarships awarded to students and information regarding the amount of contributions received by the STO, including the social security number or La. taxpayer identification number of each contributor. The report shall be submitted no later than the first day of Jan. each year.

Proposed law changes the report submission date from the *first* day of Jan. each year to the *last* day of Jan. each year. Otherwise retains present law.

Present law provides failure of a STO to report required information by the first day of Jan. unless granted an extension of no more than 30 days by DOE for good cause shall be deemed sufficient noncompliance of the requirements of present law and shall result in the STO being barred from participating in the credit program for the current and the upcoming school years.

Proposed law changes present law and provides that failure of a STO to report required information by the last day of Jan. unless the STO *applies* for a 30 day extension before the report due date, shall be deemed sufficient noncompliance of the requirements of present law and shall result in the STO being barred from participating in the credit program for the current and the upcoming school years.

Present law provides an electronic format of the report shall be furnished to the Dept. of Revenue by DOE on or by the first day of Feb. of each year. Proposed law changes Feb. to March.

Present law provides a qualified school shall mean a nonpublic school approved by the Board of Elementary and Secondary Education and which, using funds retained for administrative costs, annually administers the state test associated with the school and district accountability system. Proposed law retains present law but provides schools the option of administering a state test associated with the school and district accountability system or an established nationally norm-referenced test.

Effective July 1, 2021.

(Amends R.S. 47:6301(A)(1) and (3), (B)(1)(c)(v) and (ix) and (2)(a)(ii), and (C)(1)(c))