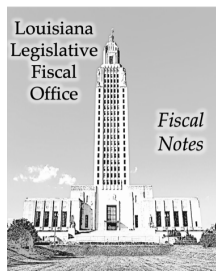


**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 484** HLS 25RS 923
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

| | |
|---|-----------------------------|
| Date: April 25, 2025 3:26 PM | Author: ZERINGUE |
| Dept./Agy.: Department of Revenue | Analyst: Noah O'Dell |
| Subject: Income Tax Credit:Eligibility in Student Tuition Org. Program | |

TAX CREDITS OR SEE FISC NOTE GF RV Page 1 of 1
 Provides for eligibility requirements for students participating in the student tuition organization tax credit program

Current law authorizes a nonrefundable income tax credit for donations a taxpayer makes to a school tuition organization (STO) when those organizations pay the tuition for qualified students to attend nonpublic schools. The Dept. of Education (DOE) is required to ensure the value of scholarships are limited to the lesser of actual tuition or 80-90% of the state Minimum Foundation Program (MFP) per pupil funding, depending on the grade level. Students are prohibited from receiving any other publicly funded scholarship. Only under certain circumstance can scholarships be targeted to specific students.

Proposed law relaxes certain requirements for students with disabilities to meet the definition of "qualified student", including the requirement that total household income of the child's family not exceed 250% of the federal poverty level. Proposed law allows students to accept scholarships from this program concurrently with those from other publicly funded programs. Proposed law otherwise retains current law. Effective beginning January 1, 2026.

| EXPENDITURES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|-----------|-----------|-----------|-----------|-----------|---------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Annual Total

| REVENUES | 2025-26 | 2026-27 | 2027-28 | 2028-29 | 2029-30 | 5 -YEAR TOTAL |
|----------------|-----------|-----------|-----------|-----------|-----------|---------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Annual Total

EXPENDITURE EXPLANATION

The governmental expenditures as a result of this measure are contingent upon the interpretation of "scholarships" in current law. Refer to the revenue section for more information.

For informational purposes, the Department of Education reports there are currently four participating STOs registered in the state that awarded scholarships to approximately 3,603 students during the 2023-2024 school year.

REVENUE EXPLANATION

The proposed measure is anticipated to have two offsetting revenue impacts, the magnitude of each is indeterminable:

1. The bill removes the eligibility requirement that a qualified student's household income be no greater than 250% of the federal poverty level, if the student has a disability (undefined). STO donations may be directed to apply towards a particular student if the student has a disability. **To the extent that higher-earning households determine that a donation may become advantageous due to the proposed law, eligible credits claimed statewide may increase and SGF revenue would decrease.**

2. The bill permits students who receive an STO scholarship to receive other publicly funded financial aid. However, STO scholarship administration in current law limits the amount of "scholarships" a student can receive to 80-90% of the state average MFP per pupil funding. LFO assumes this limit would apply to the sum of public scholarships (such as LA GATOR and the School Choice Program for Students with Certain Disabilities) and STO scholarships. **To the extent the limit applies to sum of all scholarships, the STO scholarship amount a student receives in excess of the limit would be reverted to the state, presumably by the school. This would work to increase SGF revenue, should STO scholarships provided exceed the limit.**

Under the proposed law, LA GATOR, the School Choice Program for Students with Certain Disabilities, and the STO scholarships would share several of the same eligibility criteria for qualified students. Given the commonalities, LFO believes a scenario is plausible in which students receive two of the three* scholarships in amounts to be determined independently of one another. LFO has no basis for estimating the number of students who may be awarded multiple scholarships or how much the combined scholarship awards may exceed MFP funding per pupil.

* LA GATOR explicitly prevents students from participating in the School Choice Program. It would not be possible for a student to receive all three scholarships.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Deborah Vivien
 Chief Economist