

GREEN SHEET REDIGEST

HB 477

2025 Regular Session

Freiberg

TAX CREDITS: Authorizes university laboratory schools to participate in the student tuition organization tax credit program

DIGEST

Present law authorizes an income tax credit for donations a taxpayer makes during a taxable year to a school tuition organization (STO) that provides scholarships to qualified students to attend a qualified school. In order to qualify for the credit, the donation shall be made by a taxpayer who is required to file a La. income tax return. The amount of the credit shall be equal to the actual amount of the taxpayer's donation used by an STO to fund a scholarship to a qualified student, which shall not include administrative costs.

Present law authorizes the credit to be used in addition to any federal tax credit or deduction earned for the same donation. However, a taxpayer shall not receive any other state tax benefit for which the taxpayer has received a tax credit pursuant to present law. Further provides that if the amount of the tax credit exceeds the total tax liability of the taxpayer in the taxable year, the amount of the credit not used as an offset against tax liability may be carried forward as a credit against subsequent income tax liabilities for a period not to exceed three taxable years.

Present law defines a "qualified student" as a child who is a member of a family that resides in La. with a total household income that does not exceed 250% of the federal poverty level and who is a student that is entering kindergarten for the first time, a student who attended a public school the previous year, or a student who received a scholarship from an STO or the Student Scholarships for Educational Excellence Program for the previous school year.

Proposed law retains present law.

Present law defines a "qualified school" as a nonpublic elementary or secondary school in this state which is approved, provisionally approved, or probationally approved by the Board of Elementary and Secondary Education and which complies with the criteria set forth in *Brumfield, et al. v. Dodd, et al.*, 425 F. Supp 528. Present law requires qualified schools to conduct criminal background checks on its employees and to exclude from employment any person not permitted by state law to work in a nonpublic school.

Proposed law retains present law but adds a public elementary or secondary laboratory school operated by a public college or university in this state to the definition of a "qualified school" and extends the requirement for a qualified school to conduct criminal background checks on its employees to a public elementary or secondary laboratory school operated by a public college or university.

Effective January 1, 2026, and applicable to donations made to an STO which provides scholarships to qualified students to attend a qualified school for the 2026-2027 school year and thereafter.

(Amends R.S. 47:6301(B)(1)(a) and (2)(a)(intro. para.) and (i))

Summary of Amendments Adopted by Senate

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

1. Clarify that a laboratory school means a public elementary or secondary school laboratory school operated by a public college or university.