

2025 Regular Session

SENATE BILL NO. 27

BY SENATOR TALBOT

TAX/TAXATION. Provides relative to the tax credit for donations to school tuition organizations. (gov sig)

1 AN ACT

2 To amend and reenact R.S. 47:6301(B)(1)(c)(v), (2)(a)(ii), (3)(b) and (C)(1)(d)(i), relative
3 to the credit for donations to school tuition organizations; to provide for scholarship
4 limits from donations to school tuition organizations; to provide relative to the
5 distribution of scholarship payments; to provide for the authorization method by
6 parents for the scholarship payments; to provide for testing requirements of a
7 qualified school; to authorize qualified students to receive additional scholarships or
8 other forms of financial assistance; to provide for an effective date; and to provide
9 for related matters.

10 Be it enacted by the Legislature of Louisiana:

11 Section 1. R.S. 47:6301(B)(1)(c)(v), (2)(a)(ii), (3)(b) and (C)(1)(d)(i) are hereby
12 amended and reenacted to read as follows:

13 §6301. Credit; donations to school tuition organizations

14 * * *

15 B.(1)(a)

16 * * *

17 (c) A school tuition organization which provides scholarships to qualified

1 students shall do all of the following:

2 * * *

3 (v) Distribute scholarship payments in ~~September, December, February, and~~
4 ~~May~~ **on a quarterly basis** of each year as ~~checks~~ **payments** made out to a parent of
5 a qualified student which are ~~mailed~~ **sent** to the qualifying school where the student
6 is enrolled. The parent ~~restrictively endorse the check~~ **approve the payment** for
7 deposit into the account of the school. **If payment is made by check, the parent**
8 **may endorse the check electronically.** The parent shall not designate any entity or
9 individual associated with the school as the parent's attorney to endorse a scholarship
10 check. Any parent who receives payments in accordance with the provisions of this
11 Section shall not be allowed to claim the amount received as any other credit,
12 deduction, exemption, or rebate under Title 47 of the Louisiana Revised Statutes of
13 1950. If a student who has received a scholarship ceases to be enrolled in a qualified
14 school, the school shall immediately notify the respective student tuition
15 organization and the Department of Education that the student is no longer enrolled.
16 Upon receipt of such notification, the student tuition organization shall cease making
17 payments to the school for that student.

18 * * *

19 (2)(a) For purposes of this Section, a "qualified school" shall mean a
20 nonpublic elementary or secondary school in this state which is approved,
21 provisionally approved, or probationally approved by the Board of Elementary and
22 Secondary Education and which complies with the criteria set forth in *Brumfield, et*
23 *al. v. Dodd, et al.*, 425 F. Supp 528. A qualified school shall do all of the following:

24 * * *

25 (ii) Using funds retained for administrative costs by the school tuition
26 organization, annually administer ~~the state test associated with the school and district~~
27 ~~accountability system to measure learning gains in math and language arts to all~~
28 ~~participating students in grades that require testing under the state's accountability~~
29 ~~testing laws for public schools~~ **either any examination in English Language Arts**

1 and mathematics required pursuant to the school and district accountability
2 system at the prescribed grade level or a nationally norm-referenced test or
3 assessment approved by the state board; however, the Department of Education
4 shall not incur any expense for the administration of the state tests to students
5 applying for tuition scholarships from a school tuition organization. The qualified
6 school shall provide the parents of each student who was tested with a copy of the
7 student's test results on an annual basis, beginning with the first year the student is
8 tested.

9 * * *

10 (3)(a)

11 * * *

12 (b) Any qualified student receiving a scholarship from a school tuition
13 organization pursuant to the provisions of this Section ~~shall be prohibited from~~
14 ~~receiving~~ may receive any other publicly funded scholarship, voucher, or other form
15 of financial assistance specific to that student for purposes of attending a nonpublic
16 school; ~~however~~ furthermore, a qualified student may receive scholarships from
17 multiple school tuition organizations not to exceed the lesser of actual tuition and
18 mandatory fees at the qualified school or eighty percent of the state average
19 Minimum Foundation Program per pupil funding amount for the previous year in the
20 case of a qualified student enrolled in kindergarten through eighth grade, or ninety
21 percent of the state average Minimum Foundation Program per pupil funding amount
22 for the previous year in the case of a qualified student enrolled in ninth through
23 twelfth grade. The sum of scholarships received by each qualified student from
24 school tuition organizations and any other publicly funded scholarship, voucher,
25 or other form of financial assistance specific to that student for purposes of
26 attending a nonpublic school shall not exceed the actual tuition and fees at the
27 qualified school.

28 * * *

29 C.(1)

* * *

(d)(i) The Department of Education shall verify that each qualified student has received scholarships **from school tuition organizations** not to exceed the lesser of actual tuition and fees at the qualified school or eighty percent of the state average Minimum Foundation Program per pupil funding amount for the previous year in the case of a qualified student enrolled in kindergarten through eighth grade, or ninety percent of the state average Minimum Foundation Program per pupil funding amount for the previous year in the case of a qualified student enrolled in ninth through twelfth grade. **The Department of Education shall verify that the sum of scholarships received by each qualified student from school tuition organizations and any other publicly funded scholarship, voucher, or other form of financial assistance specific to that student for purposes of attending a nonpublic school does not exceed the actual tuition and fees at the qualified school.** If the total amount of scholarships received **from school tuition organizations** by a qualified student has exceeded one of these amounts, as applicable, the school tuition organization that had awarded the scholarship that caused the student's total scholarship amount to exceed this amount shall refund the state the difference.

* * *

Section 2. This Act shall become effective upon signature by the governor or, if not signed by the governor, upon expiration of the time for bills to become law without signature by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If vetoed by the governor and subsequently approved by the legislature, this Act shall become effective on the day following such approval.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

DIGEST

SB 27 Reengrossed

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Talbot

Present law authorizes a nonrefundable tax credit for donations a taxpayer makes to a school tuition organization (STO) that provides scholarships to qualified students to attend a qualified school. The credit is equal to the actual amount of the taxpayer's donation to the STO, excluding administrative costs. Present law further requires that the taxpayer file a Louisiana income tax return in order to qualify for the credit.

Proposed law retains present law.

Present law authorizes the distribution of scholarship payments in August, November, February, and May of each year to a parent of a qualified student.

Proposed law instead authorizes the distribution of scholarship payments to a parent of a qualified student on a quarterly basis each year and otherwise retains present law.

Present law requires the parent of a qualified student to restrictively endorse the check for deposit into the account of the school.

Proposed law allows the parent of a qualified student to electronically endorse the check for deposit by the school if the payment is made by check. Further allows the parent of a qualified student to approve payment in a form other than by check.

Present law prohibits a qualified student receiving a scholarship from a STO from also receiving any other publicly funded scholarship, voucher, or other form of financial assistance for the purpose of attending a nonpublic school.

Proposed law repeals present law prohibition and authorizes a qualified student who receives a scholarship from a STO to also receive any other publicly funded scholarship, voucher, or other form of financial assistance specific to that student for purposes of attending a nonpublic school. Further restricts the sum an eligible student can receive from STOs and other publicly funded scholarships, vouchers, and other forms of financial assistance to the actual tuition and fees at the qualified school.

Present law requires qualified schools to annually administer the state test associated with the school and district accountability system to measure learning gains in math and language arts to all participating students in grades that require testing under the state's accountability testing laws for public schools.

Proposed law requires qualified schools to annually administer either any examination in English Language Arts and mathematics required pursuant to the school and district accountability system at the prescribed grade level or a nationally norm-referenced test or assessment approved by the state board.

Present law requires the Dept. of Education to verify that each qualified student has received scholarships not to exceed actual tuition and fees at the qualified school or 80% of the state average MFP per pupil funding amount for the previous year for a qualified student enrolled in K through 8th grade, or 90% of the state average MFP per pupil funding amount for the previous year for a qualified student enrolled in 9th through 12th grade.

Proposed law clarifies that the Dept. of Education is to verify that each qualified student has

not received scholarships from school tuition organizations exceeding these amounts and otherwise retains present law.

Proposed law requires the Dept. of Education to verify that the total of scholarships received by each qualified student from STOs and any other publicly funded scholarships, vouchers, or other forms of financial assistance for purposes of attending a nonpublic school does not exceed actual tuition and fees at the qualified school.

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

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

Summary of Amendments Adopted by Senate

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

1. Remove provisions that raised the maximum amount eligible for the credit from 80% or 90% of the state MFP amount from the previous year to 100% of the state MFP amount from the previous year.
2. Remove provisions allowing the maximum amount eligible for the credit to include the local portion of the MFP for the previous year in addition to the state MFP amount.
3. Make technical changes.

Senate Floor Amendments to engrossed bill

1. Replace the term restrictively endorse with approve for purposes of STO payments to parents of eligible students.
2. Restrict the amount of scholarships from STOs and any other publicly funded scholarships, vouchers, or other forms of financial assistance for purposes of attending a nonpublic school to actual tuition and fees at the qualified school.
3. Require the Dept. of Education to verify the sum of scholarships received by a qualified student does not exceed the actual tuition and fees at the qualified school.