

2018 Regular Session

SENATE BILL NO. 141

BY SENATOR GATTI

TAX/TAXATION. Provides a rebate for TOPS recipients who complete a baccalaureate degree in three years. (8/1/18)

1 AN ACT

2 To enact Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of 1950, to
3 be comprised of R.S. 47:6361, relative to a tax rebate for certain TOPS recipients;
4 to provide for a rebate for recipients of TOPS who complete their baccalaureate
5 degree within three years; to provide eligibility criteria for the rebate; to provide for
6 a review of the rebate program; to provide a sunset date; to provide for an effective
7 date; and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 5 of Subtitle VII of Title 47 of the Louisiana Revised Statutes of
10 1950, comprised of R.S. 47:6361, is hereby enacted to read as follows:

11 **CHAPTER 5. REBATE FOR TOPS EARLY GRADUATES**

12 **§6361. Rebates for TOPS recipients who graduate within three years**

13 **A. It is the purpose and intent of this Chapter to provide an incentive for**
14 **Taylor Opportunity Program for Students (TOPS) recipients to complete their**
15 **undergraduate education within three years and to remain in the state upon**
16 **completion of their baccalaureate degree.**

17 **B.(1) The amount of the rebate is one thousand five hundred dollars per**

1 year for a maximum of three years for an individual meeting all of the following
2 criteria:

3 (a) The individual received their baccalaureate degree from a Louisiana
4 college or university within three years of beginning the baccalaureate program
5 on or after January 1, 2019.

6 (b) The individual received any TOPS award for every semester they
7 attended the baccalaureate program.

8 (c) The individual does not use a TOPS award to pursue a graduate or
9 professional degree.

10 (d) The individual is required to file a Louisiana resident individual
11 income tax return, is current in the filing and payment of Louisiana individual
12 income tax, and has complied with all state income tax laws and regulations.

13 (2)(a) An individual is only eligible for this rebate for up to three
14 consecutive years after graduation. This three-year eligibility period shall begin
15 on January first of the year following the individual's graduation.

16 (b) Except as otherwise provided in this Subparagraph, if this three-year
17 period is interrupted, the individual is not eligible for this rebate in the year in
18 which the interruption occurred or any subsequent year. If the three-year
19 period is interrupted due to the individual's active duty service in the United
20 States Armed Forces, the three-year period shall be extended for a length of
21 time equal to the individual's active duty service, not to exceed five years.

22 C. Application for the rebate. (1) To claim the rebate authorized in this
23 Chapter the individual shall file an application for annual rebate with the
24 Department of Revenue for the prior year no later than December thirty-first
25 of the following year. An application shall not be submitted until the individual
26 has filed a Louisiana resident individual income tax return for the year for
27 which the rebate is claimed.

28 (2) The Louisiana Office of Student Financial Assistance shall be
29 responsible for determining the qualifications and eligibility of individuals for

1 the rebate pursuant to Subparagraphs (a) through (c) of Paragraph B(1) of this
2 Section. The Department of Revenue shall be responsible for determining that
3 the individual has filed a Louisiana resident individual income tax return and
4 is current with all individual income tax filing and payment requirements.

5 (3) If the individual does not meet the requirements of this Section any
6 rebate issued is subject to recapture.

7 D. The Department of Revenue shall pay rebates authorized pursuant to
8 this Section from the current collections of the taxes collected pursuant to
9 Chapter 1 of Subtitle II of this Title.

10 E. The Department of Revenue, in consultation with the Louisiana Office
11 of Student Financial Assistance, shall promulgate rules and regulations in
12 accordance with the Administrative Procedure Act as are necessary for the
13 administration of this rebate. Any such rules shall include provisions for an
14 application process through which the Louisiana Office of Student Financial
15 Assistance and the Department of Revenue may certify the eligibility of an
16 individual for receipt of the rebate.

17 F. The provisions of this Section shall be subject to a review by the
18 Senate Committee on Revenue and Fiscal Affairs and the House Committee on
19 Ways and Means every two years beginning in 2020. The review shall include
20 an evaluation of the increase or decrease in the cost of the TOPS program due
21 to the provisions of this Section.

22 G. No rebates shall be issued pursuant to this Section for applications
23 received after December 31, 2027.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Leonore Heavey.

Proposed law authorizes a rebate of \$1,500 for up to three years for Taylor Opportunity Program for Students award recipients who complete their baccalaureate degree within three years of beginning the baccalaureate program and who are required to file a Louisiana resident individual income tax return.

Proposed law provides that the graduate is eligible for the rebate for three consecutive years beginning Jan. 1 after graduation.

Proposed law provides that if the three-year eligibility period is interrupted for any reason other than deployment in the active duty United States Armed Services that the individual loses their eligibility for future rebates.

Proposed law provides a rebate application process with the Department of Revenue for eligible individuals.

Proposed law requires the Office of Student Financial Assistance and the Department of Revenue to verify an individual's eligibility for the rebate before the rebate can be issued and also authorizes recapture of any rebate issued to ineligible individuals.

Proposed law authorizes the Department of Revenue to issue rebates from the current collections of individual income tax.

Proposed law provides for a biennial review of the rebate program by the Senate Committee on Revenue and Fiscal Affairs and the House Committee on Ways and Means.

Proposed law provides that no rebates shall be issued for applications received after Dec. 31, 2027.

Effective August 1, 2018.

(Adds R.S. 47:6361)