
DIGEST

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HB 592 Reengrossed

2019 Regular Session

Foil

Abstract: Excludes amounts deposited into education savings accounts for tuition expenses at elementary and secondary schools under the START K12 Program from state income tax.

Present law provides for the La. Student Tuition Assistance and Revenue Trust Kindergarten Through Grade Twelve (START K12) Program, an education savings program for certain expenses associated with enrolling in grades kindergarten through 12. The START K12 Program is similar to the La. Student Tuition Assistance and Revenue Trust (START) Program, except the former is for certain expenses associated with an elementary or secondary school and the latter is for certain expenses associated with an institution of postsecondary education.

Present law excludes a portion of annual deposits from a START Program account owner's state tax table income for up to \$2,400 for single filers and \$4,800 for joint filers, per account. If less than the maximum annual deposits are deposited in any year, then the difference between the total deposit and \$2,400 for single filers or \$4,800 for joint filers shall roll over to subsequent years and shall be exempt from inclusion in the account owner's state taxable income.

Proposed law retains present law and excludes annual deposits to a START K12 Program from the account owner's state income tax. Proposed law limits the exclusion to \$2,400 for single filers and \$4,800 for joint filers per account. Proposed law prohibits the exclusion from applying to deposits withdrawn within the same taxable year as the deposit.

Present law authorizes a tax deduction for costs associated with enrollment in an elementary or secondary school. Proposed law prohibits an account owner from claiming both the tax exclusion for the START K12 Program and the tax deduction for costs associated with enrollment in an elementary and secondary school within the same taxable year.

Effective Jan. 1, 2020.

(Amends R.S. 17:3100.5(A)(1); Adds R.S. 47:293(9)(a)(xviii), 297.10(C), and 297.12(C))

Summary of Amendments Adopted by House

The House Floor Amendments to the original bill:

1. Remove the tax exclusion to a START K12 Program account owner's state tax table income on annual deposits up to \$2,400 for single filers and \$4,800 for joint filers.

The House Floor Amendments to the engrossed bill:

1. Change proposed law from authorizing the credit of earning enhancements to START K12 education accounts to exempting START K12 Program account owner's annual deposits up to \$2,400 for single filers and \$4,800 for joint filers from inclusion in the account owner's state taxable income.
2. Prohibit an account owner from claiming both the START K12 Program tax exemption and the tax deduction for tuition and expenses associated with enrollment in an elementary or secondary school within the same taxable year.
3. Add applicability of proposed law to tax gains beginning on and after Jan. 1, 2020.