

2021 Regular Session

SENATE BILL NO. 152

BY SENATOR BARROW

TAX/TAXATION. Establishes a tax credit for foster caregivers for expenses associated with a foster child attending a postsecondary educational institution. (gov sig)

1 AN ACT
2 To enact R.S. 47:297.16, relative to an individual income tax credit for postsecondary
3 educational expenses paid by foster caregivers; to establish an individual income tax
4 credit for postsecondary educational expenses paid by foster caregivers on behalf of
5 their foster children; to establish criteria; to provide for eligibility; to provide for a
6 termination date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297.16 is hereby enacted to read as follows:

9 §297.16. Tax credit; postsecondary educational expenses paid by foster
10 caregivers

11 A. (1) For taxable years beginning on and after January 1, 2021, there
12 shall be a credit against the individual income tax liability of a taxpayer who is
13 a foster caregiver who pays postsecondary educational expenses for their foster
14 child.

15 (2) The credit shall be for the total educational expenses paid by a foster
16 caregiver during the year for educational expenses for their foster child to
17 attend a postsecondary educational institution but shall not exceed twenty

1 thousand dollars per year per foster child.

2 (3) If the amount of the credit authorized pursuant to this Section
3 exceeds the amount of tax liability for the tax year, the excess shall constitute
4 an overpayment, as defined in R.S. 47:1621(A), and the secretary shall make a
5 refund of the overpayment from the current collections of the taxes imposed by
6 Chapter 1 or Chapter 5 of Subtitle II of this Title, together with interest as
7 provided in R.S. 47:1624.

8 B. Definitions. For purposes of this Section, the following words and
9 phrases shall have the following meanings:

10 (1) "Educational expenses" means amounts paid during the year by a
11 foster parent for tuition, fees, textbooks, and instructional materials associated
12 with their foster child's attendance at a postsecondary educational institution.

13 (2) "Foster child" means a child in the custody of the Department of
14 Children and Family Services and shall also include individuals participating
15 in the extended foster care services, R.S. 46:288.1, et seq.

16 (3) "Foster caregiver" means any person with whom a child in the care,
17 custody, or guardianship of the Department of Children and Family Services
18 is placed for temporary or long-term care and shall include caregivers
19 participating in extended foster care services, 46:288.1, et seq.

20 (4) "Instructional materials" means educational materials, in printed or
21 digital format, that are required or recommended for use in a course in any
22 field of study, required or recommended for use in a postsecondary course in
23 which the foster child is enrolled.

24 (5) "Postsecondary educational institution" includes public and
25 nonpublic postsecondary educational institutions.

26 (6) "Textbook" means a new or used, required or recommended manual
27 of instruction or any instructional materials for any field of study required or
28 recommended for use in a postsecondary course in which the foster child is
29 enrolled.

1 **C. The secretary of the Department of Revenue may promulgate rules**
 2 **and regulations in accordance with the Administrative Procedure Act as well**
 3 **as forms and instructions that may include a requirement that taxpayers submit**
 4 **documentation with their returns or to specifically retain records that will**
 5 **enable the department to determine the taxpayer's eligibility for, and amount**
 6 **of, the tax credit claimed pursuant to this Section.**

7 **D. No credits shall be authorized pursuant to this Section for educational**
 8 **expenses paid after December 31, 2025.**

9 Section 2. This Act shall become effective upon signature by the governor or, if not
 10 signed by the governor, upon expiration of the time for bills to become law without signature
 11 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
 12 vetoed by the governor and subsequently approved by the legislature, this Act shall become
 13 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 Leonore Heavey.

	DIGEST	
SB 152 Original	2021 Regular Session	Barrow

Proposed law authorizes an annual individual income tax credit for foster caregivers who incur postsecondary educational expenses on behalf of their foster children.

Proposed law provides that the credit is 100% of the allowable educational expenses paid during the year up to \$20,000 per year.

Proposed law authorizes a refund for the portion of the credit that exceeds the taxpayer's income tax liability.

Proposed law provides that educational expenses include tuition, fees, textbooks, and instructional materials associated with the foster child's attendance at a postsecondary educational institution.

Proposed law defines "foster child" to include those individuals participating in extended foster care services.

Proposed law authorizes the secretary of revenue to issue regulations, forms, and instructions that may include documentation requirements necessary to determine a taxpayer's eligibility for the tax credit.

Proposed law limits the credits to educational expenses paid before Jan. 1, 2026.

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

(Adds R.S. 47:297.16)