

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)(b) and (c)(v), (2)(a)(ii), (3)(b) and (C)(1)(d)(i),  
3 relative to the credit for donations to school tuition organizations; to provide for  
4 scholarship limits from donations to school tuition organizations; to provide relative  
5 to the distribution of scholarship payments; to provide for the authorization method  
6 by 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)(b) and (c)(v), (2)(a)(ii), (3)(b) and (C)(1)(d)(i) are  
12 hereby amended and reenacted to read as follows:

13 §6301. Credit; donations to school tuition organizations

14 \* \* \*

15 B.(1)(a)

16 \* \* \*

17 (b) The maximum amount for a scholarship provided by the school tuition

1 organization to a qualified student in kindergarten through ~~eighth~~ **twelfth** grade shall  
 2 not exceed actual tuition and mandatory fees **at the qualified school** or ~~eighty one~~  
 3 **hundred** percent of the state **and local** average Minimum Foundation Program per  
 4 pupil funding amount for the previous year, whichever is less, ~~and the maximum~~  
 5 ~~amount for a scholarship for a qualified student in ninth through twelfth grades shall~~  
 6 ~~not exceed ninety percent of the state average Minimum Foundation Program per~~  
 7 ~~pupil funding amount for the previous year, whichever is less.~~

8 (c) A school tuition organization which provides scholarships to qualified  
 9 students shall do all of the following:

10 \* \* \*

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

26 \* \* \*

27 (2)(a) For purposes of this Section, a "qualified school" shall mean a  
 28 nonpublic elementary or secondary school in this state which is approved,  
 29 provisionally approved, or probationally approved by the Board of Elementary and

1 Secondary Education and which complies with the criteria set forth in Brumfield, et  
2 al. v. Dodd, et al., 425 F. Supp 528. A qualified school shall do all of the following:

3 \* \* \*

4 (ii) Using funds retained for administrative costs by the school tuition  
5 organization, annually administer ~~the state test associated with the school and district~~  
6 ~~accountability system to measure learning gains in math and language arts to all~~  
7 ~~participating students in grades that require testing under the state's accountability~~  
8 ~~testing laws for public schools~~ **either any examination in English Language Arts**  
9 **and mathematics required pursuant to the school and district accountability**  
10 **system at the prescribed grade level or a nationally norm-referenced test or**  
11 **assessment approved by the state board**; however, the Department of Education  
12 shall not incur any expense for the administration of the state tests to students  
13 applying for tuition scholarships from a school tuition organization. The qualified  
14 school shall provide the parents of each student who was tested with a copy of the  
15 student's test results on an annual basis, beginning with the first year the student is  
16 tested.

17 \* \* \*

18 (3)(a)

19 \* \* \*

20 (b) Any qualified student receiving a scholarship from a school tuition  
21 organization pursuant to the provisions of this Section ~~shall be prohibited from~~  
22 ~~receiving~~ **may receive** any other publicly funded scholarship, voucher, or other form  
23 of financial assistance specific to that student for purposes of attending a nonpublic  
24 school; ~~however~~ **furthermore**, a qualified student may receive scholarships from  
25 multiple school tuition organizations not to exceed the lesser of **actual tuition and**  
26 **mandatory fees at the qualified school or one hundred** ~~eighty~~ percent of the state  
27 **and local** average Minimum Foundation Program per pupil funding amount for the  
28 previous year in the case of a qualified student enrolled in kindergarten through  
29 ~~eighth grade, or ninety percent of the state average Minimum Foundation Program~~

1 ~~per pupil funding amount for the previous year in the case of a qualified student~~  
2 ~~enrolled in ninth through twelfth grade.~~

3 \* \* \*

4 (C)(1)

5 \* \* \*

6 (d)(i) The Department of Education shall verify that each qualified student  
7 has received scholarships **from school tuition organizations** not to exceed the lesser  
8 of actual tuition and fees at the qualified school or **eighty one hundred** percent of  
9 the state **and local** average Minimum Foundation Program per pupil funding amount  
10 for the previous year in the case of a qualified student enrolled in kindergarten  
11 through ~~eighth grade, or ninety percent of the state average Minimum Foundation~~  
12 ~~Program per pupil funding amount for the previous year in the case of a qualified~~  
13 ~~student enrolled in ninth through twelfth grade.~~ If the total amount of scholarships  
14 received **from school tuition organizations** by a qualified student has exceeded one  
15 of these amounts, as applicable, the school tuition organization that had awarded the  
16 scholarship that caused the student's total scholarship amount to exceed this amount  
17 shall refund the state the difference.

18 \* \* \*

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

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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)]

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SB 27 Original DIGEST 2025 Regular Session 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.

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.

Present law authorizes a qualified student to receive scholarships from multiple STOs if the scholarships do not exceed the lesser of 80% of the state average Minimum Foundation Program (MFP) per pupil funding amount for the previous year if the student is enrolled in kindergarten (K) through 8th grade, or 90% of the state average MFP per pupil funding amount for the previous year if the student is enrolled in 9th through 12th grade.

Proposed law authorizes a qualified student to receive the lesser of actual tuition and fees at the qualified school or 100% of the state and local average MFP per pupil funding amount from the previous year if the student is enrolled in K through 12th grade.

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 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 100% of the state and local average MFP per pupil funding amount for the previous year for a qualified student enrolled in K through 12th grade.

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

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