

Regular Session, 2013

HOUSE BILL NO. 324

BY REPRESENTATIVES JEFFERSON AND KATRINA JACKSON

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

TAX/TAX REBATES: Authorizes an income tax rebate for donations to certain schools

1 AN ACT

2 To amend and reenact the heading of Chapter 3 of Subtitle VII of Title 47 of the Louisiana  
3 Revised Statutes of 1950 and to enact R.S. 47:6302, relative to rebates; to authorize  
4 a rebate for donations to certain public schools; to provide for the amount and  
5 issuance of the rebate; to provide for certain requirements and limitations; to provide  
6 for an effective date; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. The heading of Chapter 3 of Subtitle VII of Title 47 of the Louisiana  
9 Revised Statutes of 1950 is amended and reenacted and R.S. 47:6302 is hereby enacted to  
10 read as follows:

11 CHAPTER 3. ~~REBATES FOR DONATIONS TO SCHOOL~~  
12 ~~TUITION ORGANIZATIONS~~

13 \* \* \*

14 §6302. Rebates; donations to public schools

15 A.(1) There shall be allowed a rebate for donations a taxpayer makes during  
16 a taxable year to public schools. In order to qualify for the rebate, the donation shall  
17 be made by a taxpayer who files a Louisiana income tax return.

18 (2) The donation shall be used by the public school for purchasing  
19 instructional materials and supplies used in classrooms or in tutorial programs to  
20 enhance student learning, for costs and expenses in establishing and maintaining

1 tutorial programs designed to enhance student academic achievement, for costs and  
2 expenses in establishing and maintaining in-school childcare programs for student  
3 parents, for school-based health clinics, or for meeting any of the requirements  
4 prescribed for academically unacceptable schools prescribed for in Chapter 16 of  
5 LAC 28:LXXXIII.

6 (3) The amount of the rebate shall be equal to seventy-five percent of the  
7 taxpayer's donation if the donation is made to a public school.

8 (4) The Department of Revenue shall provide a standardized format for a  
9 receipt to be issued by the public school to the taxpayer. The receipt shall indicate  
10 the amount of the donation to the public school. The receipt shall also include  
11 certification by the public school that the donation will be used for one of the  
12 authorized purposes provided for in Paragraph (2) of this Subsection. The  
13 Department of Revenue shall require a taxpayer to provide a copy of the receipt  
14 when claiming the rebate authorized by this Section.

15 (5)(a) The governing authority of the public school that has received a  
16 donation eligible for a rebate pursuant to this Section shall provide a public report  
17 to the Department of Revenue, in an electronic format as prescribed by the secretary,  
18 which shall be prepared by a certified public accountant and shall be submitted to the  
19 department no later than the first day of January each year. The report shall contain  
20 the name and address of the public school, the total number and total dollar amount  
21 of donations received during the previous calendar year, the total amount of  
22 contributions made by each contributor during the previous calendar year, and the  
23 social security number or Louisiana taxpayer identification number of each  
24 contributor.

25 (b) Upon receipt of such report, the Department of Revenue shall prepare  
26 from its records as an addendum to each report, the amount and date of issuance of  
27 each rebate issued for a donation made to such school pursuant to this Section. The  
28 release of such information shall not be a violation of R.S. 47:1508.

1           (c) An electronic format for this report shall be furnished to the Department  
2           of Education by the Department of Revenue on or by the first day of February of  
3           each year.

4           B. The total amount of rebates issued pursuant to the provisions of this  
5           Section shall not exceed ten million dollars per calendar year; however, in any year  
6           in which the amount of rebates awarded reaches ninety percent of the current year  
7           annual cap, the annual cap for the next year shall be increased by twenty percent.

8           C. The Department of Revenue shall approve rebates on a first-come, first-  
9           served basis until the maximum amount of rebates has been issued starting on  
10          January first for income tax years ending prior to that date; however, all rebate  
11          requests received on the same business day shall be treated as received at the same  
12          time. If the aggregate amount of rebate requests received on a single business day  
13          exceeds the total amount of available rebates, rebates shall be approved on a pro rata  
14          basis.

15          D. Notwithstanding any provision of law to the contrary, the secretary of the  
16          Department of Revenue shall make the rebate authorized pursuant to the provisions  
17          of this Section from the current collections of the taxes imposed by this Title as  
18          amended.

19          Section 2. The provisions of this Act shall become effective on January 1, 2014, and  
20 shall be applicable to donations made to a public school for the 2014-2015 school year and  
21 thereafter.

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#### DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, 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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Jefferson

HB No. 324

**Abstract:** Authorizes an income tax rebate equal to 75% of a taxpayer's donation to a public school.

Proposed law authorizes a rebate equal to 75% of donations a taxpayer makes during a taxable year to public schools. In order to qualify for the rebate, the donation must be made by a taxpayer who files a state income tax return.

Proposed law requires that donations be used by the public school for purchasing instructional materials and supplies, for costs and expenses in establishing and maintaining tutorial programs, for costs and expenses in establishing and maintaining in-school childcare programs for student parents, school-based health clinics, or for meeting any of the requirements prescribed in current rules and regulations for academically unacceptable schools.

Proposed law requires Dept. of Revenue (DOR) to provide the format for a receipt that indicates the amount of the donation, the letter grade of the public school that received the donation, and includes certification from the public school that the donation will be used for one of the authorized purposes provided for in proposed law. Further requires the taxpayer to provide a copy of the receipt when claiming the rebate.

Proposed law requires the governing authority of a public school which received a donation to provide a public report prepared by a certified public accountant to the DOR no later than Jan. 1 of each year. Further requires the report to contain the name and address of the public school, the total number and total dollar amount of donations received during the previous calendar year, the total amount of contributions made by each contributor during the previous calendar year, and the social security number or La. taxpayer identification number of each contributor.

Proposed law requires DOR to prepare, as an addendum to each report, the amount and date of issuance of each rebate issued pursuant to proposed law. Provides that the release of such information shall not be a violation of the present law provisions relative to the confidentiality of tax records. Requires DOR to furnish an electronic format for this report to the Dept. of Education on or by the first day of Feb. of each year.

Proposed law limits the total amount of rebates issued pursuant to proposed law to \$10 million per calendar year; however, in any year that the amount of rebates awarded reaches 90% of the current year annual cap, the annual cap for the next year shall be increased by 20%. Requires DOR to approve rebates, starting on Jan. 1 for income tax years ending prior to that date, on a first-come, first-served basis until the maximum amount of rebates has been issued.

Proposed law requires rebates to be paid from the current collections of the taxes imposed by present law.

Effective Jan. 1, 2014, and shall be applicable to donations made to a public school for the 2014-2015 school year and thereafter.

(Amends the heading of Ch. 3 of Title 47 of the Louisiana Revised Statutes of 1950; Adds R.S. 47:6302)

#### Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Ways and Means to the original bill.

1. Deletes requirement that in order for the donation to qualify for the rebate the donation be made to a public school received a letter grade of "B", "C", "D", or "F" for the most recent year pursuant to the La. School and District Accountability System.
2. Deletes prohibition that no rebate shall be issued for a donation to a public school that received a letter grade of "A" pursuant to the La. School and District Accountability System.