SENATE BILL NO. 93

BY SENATOR ADLEY

1   AN ACT

2   To amend and reenact R.S. 47:297(D)(1) and to enact R.S. 47:6039, relative to tax credits;

3   to prohibit an education credit for those taking a certain deduction for tuition and

4   fees; to grant a transferable SAVE credit for each student enrolling at a public

5   institution of higher education; to provide for the Student Assessment for a Valuable

6   Education (SAVE) Credit Program and for determination of and limitation on the

7   amount of credit granted , and distribution of certain funds; to provide for eligibility;

8   and to provide for related matters.

9   Be it enacted by the Legislature of Louisiana:

10   Section 1. R.S. 47:297(D)(1) is hereby amended and reenacted and R.S. 47:6039 is

11   hereby enacted to read as follows:

12   §297. Reduction to tax due

13   *   *   *

14   D. In addition to any other credits against the tax payable on net income

15   which the law allows to an individual taxpayer, the taxpayer shall be entitled to the

16   tax credit against the tax payable on net income provided for as follows:

17   (1) A taxpayer required to file a **resident** Louisiana tax return may claim a

18   tax credit for educational expenses incurred after January 1, 1988, for each child

19   attending kindergarten, elementary, or secondary school (kindergarten through

20   twelfth grade) **located in Louisiana**, if the child qualifies as a dependency

21   exemption on the taxpayer's Louisiana income tax return **unless the deduction for**

22   **the payment of tuition and fees for nonpublic elementary and secondary school**

23   **tuition is taken for the child as provided for in R.S. 47:297.10**.

24   *   *   *

25   **§6039. Student Assessment for a Valuable Education (SAVE) credit program**

26   **A. The Program. (1) The Board of Regents shall implement a Student**

27   **Assessment for a Valuable Education (SAVE) Credit Program for each student**

1   **enrolling at a public institution of higher education. Each student assessed shall**

2   **be granted a SAVE credit provided for in this Section against individual**

3   **income, sales and use, gasoline, and special fuels taxes equal to the individual**

4   **amount of a SAVE assessment. The amount of each credit shall not exceed the**

5   **average household tax liability in Louisiana for the total of the following:**

6   **individual income, sales and use, gasoline, and special fuels taxes as determined**

7   **and published by the Department of Revenue no later than June thirtieth of**

8   **each fiscal year. The aggregate amount of SAVE credits granted in any fiscal**

9   **year shall not exceed three hundred fifty million dollars.**

10   **(2) The SAVE credit shall be a transferable, nonrefundable credit**

11   **against the liability as provided by Paragraph (1) of this Subsection of a student,**

12   **or his parent or legal guardian, which shall be transferred to the Board of**

13   **Regents and used solely as provided for in Subsection C of this Section, for each**

14   **student enrolled in a public institution of higher education on and after July 1,**

15   **2015. The procedure for implementing such credit shall be referred to as the**

16   **SAVE Credit Program.**

17   **B. Eligibility determination requirements, reporting of eligible students**

18   **and transfer and use of funds. (1) The Department of Revenue shall distribute**

19   **student eligibility determination criteria to the Board of Regents to be used for**

20   **requesting the credit for student assessments. Student eligibility shall be based**

21   **on the liability for individual income tax, sales and use taxes, gasoline, and**

22   **special fuels taxes paid to the state of Louisiana by all of the students and their**

23   **parents or legal guardians in the prior year as determined by the Department**

24   **of Revenue as provided for in Paragraph (1) of Subsection A of this Section.**

25   **(2) No later than June thirtieth of each fiscal year, the Board of Regents**

26   **shall certify to the Department of Revenue the total headcount enrollment at**

27   **public institutions of higher education in the previous fall. The Department of**

28   **Revenue shall determine the total amount of the credit based on the allowable**

29   **appropriation, headcount, and the provisions in this Section and shall provide**

30   **to the treasurer from the current collections of taxes an amount of funds equal**

Coding: Words which are ~~struck through~~ are deletions from existing law;
words in **boldface type and underscored** are additions.

1 **to such determination. Upon notification from the Department of Revenue and**

2 **receipt of the funds, after compliance with the requirements of Article VII,**

3 **Section 9(B) of the Constitution of Louisiana relative to the Bond Security and**

4 **Redemption Fund, the treasurer is authorized and directed to deposit or**

5 **transfer such funds into the Higher Education Initiatives Fund pursuant to R.S.**

6 **17:3129.6. The secretary of the Department of Revenue and the treasurer shall**

7 **report immediately such action to the commissioner of administration and the**

8 **Joint Legislative Committee on the Budget.**

9 **(3) In no event shall the credit or assessment exceed the amount**

10 **appropriated by the legislature from the Higher Education Initiatives Fund**

11 **each fiscal year. For Fiscal Year 2015-2016, the total allowable amount**

12 **available for transfer shall be designated in the supplementary section of**

13 **Schedule 19-671 Board of Regents in the Act that originated as HB1 of the 2015**

14 **Regular Session of the Legislature of Louisiana. For Fiscal Year 2016-2017 and**

15 **thereafter, the total allowable amount available for transfer shall be determined**

16 **by the legislature.**

17 **C. Allocation of SAVE program credits. The Board of Regents shall**

18 **distribute all funds appropriated from the Higher Education Initiatives Fund**

19 **derived from the SAVE Credit Program pursuant to its formula for the**

20 **equitable distribution of funds to public institutions of higher education.**

21 **D. No student or student's parent or legal guardian shall be required to**

22 **pay an assessment that is not offset by a SAVE credit pursuant to this Section.**

23 **E. The requirements of R.S. 47:1524 shall not be applicable to the credits**

24 **provided for in this Section.**

25 **F. The provisions of this Section shall be null, void, and of no effect on**

26 **and after July 1, 2020.**

27 Section 2. The provisions of this Act shall be applicable to tax years beginning on

28 and after January 1, 2015.

29 Section 3. This Act shall become effective upon signature by the governor or, if not

30 signed by the governor, upon expiration of the time for bills to become law without signature

1   by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If

2   vetoed by the governor and subsequently approved by the legislature, this Act shall become

3   effective on the day following such approval.

_____
PRESIDENT OF THE SENATE

_____
SPEAKER OF THE HOUSE OF REPRESENTATIVES

_____
GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

Coding: Words which are ~~struck through~~ are deletions from existing law;
words in **boldface type and underscored** are additions.