

RÉSUMÉ DIGEST

ACT 140 (SB 93)

2015 Regular Session

Adley

Prior law granted a maximum credit of \$25 for educational expenses incurred for each child attending kindergarten, elementary, or secondary school.

New law disallows the credit if the deduction for the payment of tuition and fees for nonpublic elementary and secondary school tuition is taken for the child as provided for in R.S. 47:297.10.

New law establishes the Student Assessment for a Valuable Education (SAVE) Credit Program.

New law requires the Board of Regents (the board) to implement a Student Assessment for a Valuable Education (SAVE) Credit Program for each student enrolling at a public institution of higher education. Each student assessed shall be granted a SAVE credit against income, sales and use, gasoline and special fuel taxes equal to the individual amount of a SAVE assessment. The amount of each credit must not exceed the average household tax liability in Louisiana for the total of such taxes as determined and published by the Department of Revenue (DOR) no later than June 30th of each fiscal year. The aggregate amount of credits cannot exceed \$350 million.

The SAVE credit is a transferable, nonrefundable credit against the tax liability set forth above of a student, or his parent or legal guardian, which must be transferred to the board and used solely as set forth below for each student enrolled in a public institution of higher education on and after July 1, 2015.

The DOR is to distribute student eligibility determination criteria to the board to be used for requesting the credit for student assessments from the department. Student eligibility is to be based on the tax liability set forth above paid to the state by all of the students and their parents or legal guardians in the prior year as determined by the DOR.

No later than June 30th of each fiscal year, the board must certify to the department the total headcount enrollment at public institutions of higher education in the previous fall. The department then must determine the total amount of the credit and must transfer from the current collections of taxes that amount to the treasurer. Upon receipt of the funds, the treasurer is authorized and directed to transfer or deposit the funds into the Higher Education Initiatives Fund in R.S. 17:3129.6. The secretary of the department and the treasurer must report such action to the commissioner of administration and the Joint Legislative Committee on the Budget. In no event can the credit or assessment exceed the amount appropriated by the legislature from the Higher Education Initiatives Fund each fiscal year. For Fiscal Year 2015-2016, the total allowable amount available for transfer shall be designated in the supplementary section of Schedule 19-671 Board of Regents in the Act that originated as HB1 of the 2015 Regular Session. The legislature is required to determine the total allowable amount available for transfer for Fiscal Year 2016-2017 and thereafter.

New law requires the Board of Regents to distribute all funds appropriated from the Higher Education Initiatives Fund derived from the SAVE Credit program pursuant to its formula for the equitable distribution of funds to public institutions of higher education.

New law provides that no student or student's parent or legal guardian shall be required to pay an assessment that is not offset by a SAVE Credit.

New law provides that the tax credit registry is not applicable to the new law.

New law is null and void, and of no effect on and after July 1, 2020.

Applicable to tax years beginning on and after January 1, 2015.

Effective upon signature of the governor (June 19, 2015).

(Amends R.S. 47:297(D)(1); adds R.S. 47:6039)

