

2020 Second Extraordinary Session

HOUSE BILL NO. 20

BY REPRESENTATIVE EDMONDS

TAX/INCOME TAX: Provides relative to income tax deduction for certain educational expenses incurred during the COVID-19 pandemic (Item #26)

1 AN ACT

2 To enact R.S. 47:297.15, relative to individual income tax deductions; to authorize a
3 deduction for certain educational expenses incurred during the COVID-19 pandemic
4 in 2020; to provide for the amount of the deduction; to provide for definitions; to
5 provide for limitations and requirements; to provide for an effective date; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:297.15 is hereby enacted to read as follows:

9 §297.15. Tax deduction; educational expenses; COVID-19 pandemic in 2020

10 A.(1) There shall be allowed a deduction from tax table income for the sum
11 of amounts paid or incurred from March 13, 2020, through December 31, 2020,
12 during the COVID-19 pandemic for expenses for educational coaching services for
13 an in-person facilitator of virtual education delivered by a public or approved
14 nonpublic elementary or secondary school.

15 (2) The amount of the deduction authorized by this Section shall be equal to
16 the actual amount of eligible educational coaching services incurred or paid by the
17 taxpayer per eligible child or five thousand dollars per eligible child, whichever is
18 less. The amount of the deduction authorized in this Section shall not exceed the
19 total taxable income of the individual.

1 B. For purposes of this Section, the following words shall have the following
2 meanings unless the context clearly indicates otherwise:

3 (1) "Approved nonpublic elementary or secondary school" shall mean a
4 nonpublic elementary or secondary school located in Louisiana which complies with
5 the criteria set forth in *Brumfield, et al. v. Dodd, et al.* 425 F. Supp. 528 (E.D. La.
6 1977) and Section 501(c)(3) of the Internal Revenue Code, or any public elementary
7 or secondary laboratory school which is operated by a public college or university.

8 (2) "Eligible child" shall mean a student who qualifies as a dependency
9 exemption on the taxpayer's Louisiana income tax return for either the taxable year
10 or the prior taxable year.

11 (3) "Immediate family" shall mean the taxpayer's spouse, the children of the
12 taxpayer, the spouses of the taxpayer's children, the taxpayer's brothers or sisters and
13 their spouses, the taxpayer's parents, and the parents of the taxpayer's spouse.

14 (4) "In-person facilitator of virtual education" shall mean an individual
15 providing in-person instruction or assistance to one or more elementary or secondary
16 school students who is at least eighteen years of age at the time services are provided
17 or, if not eighteen years of age at the time services are provided, who graduated from
18 high school. The individual providing the in-person instruction or assistance shall
19 not be the taxpayer or a member of the taxpayer's immediate family.

20 C. Expenses claimed by a taxpayer pursuant to the provisions of this Section
21 shall not be eligible for the deductions provided for in R.S. 47:297.10, 297.11, or
22 297.12.

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

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)]

HB 20 Reengrossed

2020 Second Extraordinary Session

Edmonds

Abstract: Establishes an income tax deduction for educational coaching services for an eligible child paid or incurred by a taxpayer between March 13, 2020, and Dec. 31, 2020, as a result of the COVID-19 pandemic.

Proposed law establishes an income tax deduction for educational coaching services for an in-person facilitator of virtual education delivered by a public or approved nonpublic elementary or secondary school that were paid or incurred by the taxpayer between March 13, 2020, and Dec. 31, 2020, as a result of the COVID-19 pandemic that occurred in 2020.

Proposed law provides that the amount of the deduction shall be equal to the actual amount of educational coaching services incurred or paid by the taxpayer per eligible child or \$5,000, whichever is less. Prohibits the amount of the deduction from exceeding the total taxable income of the individual.

Proposed law defines "approved nonpublic elementary or secondary school" as a nonpublic elementary or secondary school located in La. which complies with the criteria set forth in *Brumfield, et al. v. Dodd, et al.* and complies with Section 501(c)(3) of the Internal Revenue Code, or any public elementary or secondary laboratory school which is operated by a public college or university.

Proposed law defines "in-person facilitator of virtual education" as an individual providing in-person instruction or assistance to one or more elementary or secondary school students who is at least 18 years old at the time services are provided or, if not 18 years old at the time services are provided, who graduated from high school. The individual providing the in-person instruction or assistance shall not be the taxpayer or a member of the taxpayer's immediate family.

Proposed law defines "eligible child" as a student who qualifies as a dependency exemption on the taxpayer's La. income tax return for either the taxable year or the prior taxable year.

Proposed law prohibits expenses claimed by a taxpayer pursuant to proposed law from being eligible for the educational expense deductions provided for in present law.

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

(Adds R.S. 47:297.15)

Summary of Amendments Adopted by House

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

1. Delete provisions extending the deduction to tuition and mandatory fees for a student who transferred to an approved nonpublic elementary or secondary school that offered in-person educational services.
2. Add definition for "in-person facilitator of virtual education".

3. Add prohibition against expenses claimed by a taxpayer pursuant to proposed law from being eligible for other educational expense deductions provided for in present law.

The House Floor Amendments to the engrossed bill:

1. Change the defined term from "immediate family member" to "immediate family" and add the children of the taxpayer to the definition.
2. Add the taxpayer to the list of individuals ineligible to perform in-person instruction or assistance and qualify for the deduction in proposed law.