

2019 Regular Session

SENATE BILL NO. 224

BY SENATOR BOUDREAUX

TAX/INCOME/PERSONAL. Provides for the individual income tax credit for donations to school tuition organizations. (1/1/20)

1 AN ACT

2 To amend and reenact R.S. 47:6301(B)(1)(c)(v), (ix), and (x), relative to the credit for  
3 donations to school tuition organizations; to provide for timing and distribution of  
4 scholarship payments; to provide relative to the annual report; and to provide for  
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 47:6301(B)(1)(c)(v), (ix), and (x) are hereby amended and reenacted  
8 to read as follows:

9 §6301. Credit; donations to school tuition organizations

10 \* \* \*

11 B.(1) \* \* \*

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

14 \* \* \*

15 (v) Distribute scholarship payments in ~~September, December, February, and~~  
16 ~~May of each year as checks made out to a parent of a qualified student which are~~  
17 ~~mailed~~ **October and February of each year** to the qualifying school where the

1 student is enrolled. The parent shall ~~restrictively endorse the check~~ **approve the**  
 2 **scholarship payment** for deposit into the account of the school. The parent shall not  
 3 designate any entity or individual associated with the school as the parent's attorney  
 4 to ~~endorse a scholarship check~~ **approve a scholarship payment**. Any parent who  
 5 receives payments in accordance with the provisions of this Section shall not be  
 6 allowed to claim the amount received as any other credit, deduction, exemption, or  
 7 rebate under Title 47 of the Louisiana Revised Statutes of 1950. **A school tuition**  
 8 **organization may withhold scholarship payments designated for a qualified**  
 9 **student if one or more previous payments were not approved by the parent for**  
 10 **deposit into the account of the qualified school where the student is or was**  
 11 **previously enrolled**. If a student who has received a scholarship ceases to be  
 12 enrolled in a qualified school, the school shall immediately notify the respective  
 13 ~~student~~ **school** tuition organization and the Department of Education that the student  
 14 is no longer enrolled. Upon receipt of such notification, the ~~student~~ **school** tuition  
 15 organization shall cease making payments to the school for that student. **Scholarship**  
 16 **payments made by a school tuition organization shall not be claimed for the**  
 17 **purposes of any other credit, deduction, exemption, or rebate.**

18 \* \* \*

19 (ix) Provide a public report to the Department of Education which contains  
 20 information regarding all scholarships awarded or granted in the previous state fiscal  
 21 year. The report shall be prepared by a certified public accountant and shall be  
 22 submitted to the department no later than the ~~first~~ **last** day of January each year. The  
 23 report shall contain the name and address of the school tuition organization, the total  
 24 number and total dollar amount of donations received during the previous state fiscal  
 25 year, the total number and total dollar amount of educational scholarships awarded  
 26 to qualified students, the total amount expended on administrative costs, and the  
 27 percentage breakdown of donations expended on scholarship and administrative  
 28 costs during the previous state fiscal year. The report shall include the actual tuition  
 29 and fee amounts published by the qualifying schools which enrolled a student with

1 a scholarship from that school tuition organization. The report shall also contain the  
 2 total amount of contributions received by the school tuition organization, the total  
 3 amount of contributions made by each contributor during the previous calendar year,  
 4 and the social security number or Louisiana taxpayer identification number of each  
 5 contributor. Failure of a ~~student~~ **school** tuition organization to report all information  
 6 required in this Item to the Department of Education by the ~~first~~ **last** day of January,  
 7 unless ~~granted an extension of no more than thirty days by the Department of~~  
 8 ~~Education for good cause~~ **the school tuition organization applies for a thirty-day**  
 9 **extension before the report due date**, shall be deemed sufficient noncompliance  
 10 of this Section and shall result in the tuition organization being barred from  
 11 participating in the credit authorized under this Section for the current school year  
 12 and the upcoming school year. An electronic format of this report shall be furnished  
 13 to the Department of Revenue by the Department of Education on or ~~by the first day~~  
 14 ~~of February~~ **before the first day of March** of each year.

15 (x) Annually demonstrate its financial accountability through a financial  
 16 information report that complies with uniform financial accounting standards. The  
 17 report shall be prepared by a certified public accountant and shall be submitted to the  
 18 Department of Education. ~~The report shall contain a certification from an auditor that~~  
 19 ~~the report is free of material misstatements.~~

20 \* \* \*

21 Section 2. This Act shall become effective on January 1, 2020.

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The original instrument and the following digest, which constitutes no part  
 of the legislative instrument, were prepared by Leonore Heavey.

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DIGEST

SB 224 Engrossed                      2019 Regular Session                      Boudreaux

Present law provides a credit for the amount of the taxpayer's donation actually used by a school tuition organization (STO) to fund a scholarship to a qualified student, which shall not include administrative costs.

Present law requires payments of scholarships four times a year.

Proposed law reduces the required scholarship payments to two per year.

Present law requires that scholarship payments be made in the form of a check that is mailed

to the parent of the child receiving the scholarship.

Proposed law eliminates the requirement that all scholarship payments be made by paper check.

Proposed law authorizes a school tuition organization to withhold scholarship payments designated for a qualified student if one or more previous payments were not approved by the parent for deposit into the account of the qualified school where the student is or was previously enrolled.

Present law requires that the school tuition organization prepare and submit an annual report to the Department of Education by Jan. 1 of each year.

Proposed law changes the annual report due date to Jan. 31.

Present law authorizes the Department of Education to grant a 30-day extension for the annual report upon good cause shown by the school tuition organization.

Proposed law changes the 30-day extension to an automatic extension provided that the school tuition organization requests the extension before the due date of the report.

Effective January 1, 2020.

(Amends R.S. 47:6301(B)(1)(c)(v), (ix), and (x))

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Revenue and Fiscal Affairs to the original bill

1. Removes provision related to determining the amount of the credit.