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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 95 Original

2017 Regular Session

Morrish

Present law authorizes a rebate for donations made to a school tuition organization (STO) by a taxpayer who files a Louisiana income tax return. The donation must be used by the STO to provide scholarships to qualified students to attend a qualified school. The amount of the rebate is equal to the actual amount of the taxpayer's donation used by an STO to fund a scholarship, exclusive of administrative costs.

Proposed law replaces the rebate with a nonrefundable tax credit that is equal to 50% of the donation. Proposed law also specifies that in order to qualify for the credit, the taxpayer must be required to file a Louisiana income tax return.

Proposed law provides the credit may be used in addition to any federal tax credit or deduction earned for the same donation, but prohibits the taxpayer from receiving any other state tax credit, exemption, exclusion, deduction or any other benefit for which the taxpayer has received a credit for the donation.

Proposed law provides a three-year carry forward for credits that cannot be used in the year originally earned.

Present law provides that the rebate may be paid only after the conclusion of the school year and after certain requirements are satisfied. Proposed law retains present law with the exception of replacing the rebate with the credit.

Present law defines an "STO". Proposed law retains present law.

Present law requires an STO to give priority to students who received a scholarship from the STO the previous year and to students that participated in the Student Scholarships for Educational Excellence Program in the previous year.

Proposed law removes the priority for students that participated in the Student Scholarships for Educational Excellence Program.

Present law provides the Department of Education may bar an STO from participating in the rebate if the STO fails to perform criminal background checks on all of its employees and board members. Proposed law provides the Department of Education shall bar an STO for participating in the credit if it does not perform such criminal background checks.

Present law requires the STO to provide a public report to the Department of Education regarding all scholarships awarded in the previous fiscal year which contains information regarding donations

received, scholarships awarded in the previous fiscal year, and the actual tuition and fee amounts for attendance at each qualified school by January first of each year.

Proposed law retains present law and provides the report is for the state's prior fiscal year and also requires the STO to report the number of scholarships awarded and the total scholarship amount provided to each qualifying school.

Present law requires the Department of Education to provide an electronic copy of the report to the Department of Revenue by February first of each year. Proposed law retains present law and requires a redacted copy of the report be provided to the Senate and House education committees by February first of each year.

Proposed law provides that failure of the STO to report accurately and timely to the Department of Education shall result in the STO being barred from participating in the credit for the current and upcoming academic years.

Present law defines a "qualified school" and permits the Department of Education to prohibit a school from participating in the rebate if the school does not conduct criminal background checks on its employees and exclude from employment any person not permitted by state law to work in a nonpublic school.

Proposed law requires the Department of Education to bar a school that does conduct such criminal background checks and exclude such persons prohibited from working in a nonpublic school from employment.

Present law defines a "qualified student" as a child who is a member of a family that resides in Louisiana with a total household income that does not exceed 250% of the federal poverty line and that meets any of the following criteria:

- (1) Is a student entering kindergarten for the first time.
- (2) Is a student that attended a public school the previous year.
- (3) Is a student that received a scholarship from the STO or the Student Scholarship for Educational Excellence Program the prior year.

Proposed law provides that to be a qualified student a student must meet the income definition and have received a scholarship from the STO the prior school year.

Present law requires the Department of Education to compile an annual public report that is made available by March first on the department's website which lists the name of all qualified schools receiving scholarship recipients, the number of scholarship recipients attending each qualified school, and the results of the state's accountability testing laws for students in each grade.

Proposed law retains present law and additionally requires the department to provide the report to

the Senate and House education committees. Proposed law further requires the report to include the percentage of total school enrollment represented by scholarship recipients and aggregate test result data for each grade and the school as a whole.

Present law requires that the Department of Education ensures the public, with an emphasis of parents in public schools with a letter grade "D" or "F", be aware of the scholarships and shall provide requirements for STO to adequately advertise the availability of scholarships to the public.

Proposed law removes the requirement that the Department of Education make the public aware of the scholarships but otherwise retains present law.

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

(Amends R.S. 47:6301(A)(1), (2)(intro para) and (c), (3), (B)(1)(c)(iv), (vii), and (ix), (2)(a)(i), (3)(a)(iii), (C)(1)(c), (e), and (f), (2)(a) and (b); repeals R.S. 47:6301(D))