

RÉSUMÉ DIGEST

Act 687 (HB 650)

2018 Regular Session

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START and START K12 Programs, generally

Existing law creates the La. Student Tuition Assistance and Revenue Trust (START) Program, an education savings program for certain expenses associated with enrolling in an institution of postsecondary education. Provides for earnings enhancements (a "state match") of between 2% and 14% annually; such rate depends on the account category and the account owner's income. Also exempts a portion of annual deposits from the account owner's state tax table income (up to \$2,400 for single filers and \$4,800 for joint filers, per account). Provides for administration by the La. Tuition Trust Authority (LATTA).

New law creates the La. Student Tuition Assistance and Revenue Trust Kindergarten Through Grade Twelve (START K12) Program, an education savings program similar to the START program except that it is for certain expenses associated with enrolling in grades kindergarten (K) through 12. Defines such expenses as tuition in connection with enrollment or attendance at a public or approved nonpublic elementary or secondary school in La. Limits disbursements of such expenses to a maximum of \$10,000 per tax year, per beneficiary. Provides for administration by LATTA. Does not provide a state match or for exemption of a portion of annual deposits from an account owner's state tax table income. Prohibits a transfer or rollover from a START account to a START K12 account.

Transitional provision

New law allows funds deposited prior to Jan. 1, 2018, to a START account to be disbursed in 2018 to pay tuition at an elementary or secondary school. Provides that any such disbursement shall not include earnings enhancements or interest thereon and limits the total amount of such disbursements with respect to a beneficiary to \$10,000.

Louisiana Education Tuition and Savings Plan and Fund

Existing law establishes in the state treasury as a special permanent fund the La. Education Tuition and Savings Fund, known as the "Tuition and Savings Fund". Provides for separate accounts for the START Program and for another education savings program authorized by existing law. Provides that the legislature shall make yearly appropriations from the respective account to the LATTA for existing law purposes.

New law provides that the START Program account shall also be for the START K12 program and that appropriations to LATTA shall also be made for purposes of the START K12 program.

Abandoned property

Existing law provides that property is presumed abandoned if it is unclaimed by the apparent owner during the time set forth in existing law for the particular property. New law adds that unclaimed funds in a START K12 account during any five-year period subsequent to the beneficiary's 20th birthday shall be presumed abandoned.

Payroll withholdings

Existing law authorizes any employee of the state or a political subdivision in the state to authorize his employer to withhold from his salary amounts for deposit into a START account. New law also grants such employees this authority relative to salary withholdings for deposits to START K12 accounts.

Public records

Existing law provides a public records exception for all LATTA records indicating the identity of owners and beneficiaries of START accounts and the amounts used or refunded under an account owner's agreement. New law provides an additional public records exception for all such records relative to START K12 accounts.

Dept. of Revenue records

Existing law provides that except as otherwise provided by existing law, the records and files of the secretary of the Dept. of Revenue are confidential and privileged. Existing law allows the department to furnish a taxpayer's reported federal adjusted gross income to the La. Office of Student Financial Assistance (LOSFA) for purposes of administering the START program and the Taylor Opportunity Program for Students (TOPS). New law also allows this for purposes of determining a beneficiary's eligibility for participation in the START K12 program.

Effective upon signature of governor (May 30, 2018).

(Amends R.S. 9:154(A)(15), R.S. 17:3129.4(C), R.S. 44:4.1(B)(9), and R.S. 47:1508(B)(17); Adds 17:3100.1-3100.10 and R.S. 42:456.2)