

HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 689 by Representative Peterson

FUNDS/FUNDING: Creates the Louisiana Statewide Education Facilities Fund

Synopsis of Senate Amendments

1. Deletes provisions creating the Louisiana Statewide Education Facilities Fund.
2. Establishes the Higher Education Restoration Fund for the purpose of providing funding for higher education.
3. Changes the effective tax periods of Act No. 399 of the 2007 Regular Session which provides for a phase-in of a deduction for excess federal itemized deductions.

Digest of Bill as Finally Passed by Senate

Present law, as provided in Act 399 of the 2007 R.S., relative to personal income taxes, defines "excess federal itemized personal deductions" as the following percentages of the amount by which the federal itemized personal deductions exceed the amount of federal standard deductions which is designated for the filing status used for the taxable period on the individual income tax return required to be filed:

- (1) For tax years beginning during calendar year 2007, 57 ½% of such excess federal itemized personal deductions.
- (2) For tax years beginning during calendar year 2008, 65% percent of such excess federal itemized personal deductions.
- (3) For all tax years beginning on and after January 1, 2009, 100% of such excess federal itemized personal deductions.

Act 399 provided that the provisions of the Act shall become effective for all taxable periods beginning on or after January 1, 2007.

Proposed law provides that the provisions of R.S. 47:293(2)(c) as enacted in Act 399, regardless of any subsequent redesignation and any contrary provision in the Act, shall become effective for all taxable periods beginning on or after January 1, 2012. Otherwise retains present law.

Establishes the Higher Education Restoration Fund in the state treasury. Requires that after compliance with the requirements of present law and prior to any money being placed into the general fund or any other fund, an amount equal to that deposited pursuant to proposed law amending the provisions of Act 399 of the 2007 R.S. be credited to the Higher Education Restoration Fund. Requires that money in the fund be invested by the treasurer in the same manner as money in the state general fund and interest earned on the investment of the money be credited to the fund. Requires that all unexpended and unencumbered money in the fund at the end of the year remain in the fund.

Requires that the money in the Higher Education Emergency Fund be appropriated to be used solely for funding higher education.

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

(Amends Section 2 of Act 399 of 2007 R.S.)