

2015 Regular Session

SENATE BILL NO. 284 (Substitute of Senate Bill No. 223 by Senator Donahue)

BY SENATOR DONAHUE

TAX/TAXATION. Establishes the Student Assessment for a Valuable Education (SAVE) Credit Program. (gov sig)

1 AN ACT

2 To enact R.S. 47:6039, relative to tax credits; to establish the Student Assessment for a

3 Valuable Education (SAVE) Credit Program; to grant a transferable SAVE credit for

4 each student enrolling at a public institution of higher education; to provide for the

5 determination of and limitation on the amount of credit granted and transferred; to

6 require the transfer of the credit to the Board of Regents; to provide for distribution

7 of funds pursuant to the Board of Regent's formula for the equitable distribution of

8 funds to public institutions of higher education; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 47:6039 is hereby enacted to read as follows:

11 **§6039. Student Assessment for a Valuable Education (SAVE) credit program**

12 **A. The Program. (1) The Board of Regents shall implement a Student**

13 **Assessment for a Valuable Education (SAVE) Credit Program for each student**

14 **enrolling at a public institution of higher education. Each student assessed shall**

15 **be granted a SAVE credit provided for in this Section against individual**

16 **income, sales and use, gasoline, and special fuels taxes equal to the individual**

17 **amount of a SAVE assessment. The amount of each credit shall not exceed the**

1 average household tax liability in Louisiana for the total of the following:
2 individual income, sales and use, gasoline, and special fuels taxes as determined
3 and published by the Department of Revenue no later than June thirtieth of
4 each fiscal year.

5 (2) The SAVE credit shall be a transferable, nonrefundable credit
6 against the liability as provided by Paragraph (A)(1) of this Section of a student,
7 or his parent or legal guardian, which shall be transferred to the Board of
8 Regents and used solely as provided for in Subsection C of this Section, for each
9 student enrolled in a public institution of higher education on and after July 1,
10 2015. The procedure for implementing such credit shall be referred to as the
11 SAVE Credit Program.

12 B. Eligibility determination requirements, reporting of eligible students
13 and transfer and use of funds. (1) The Department of Revenue shall distribute
14 student eligibility determination criteria to the Board of Regents to be used for
15 requesting the credit for student assessments. Student eligibility shall be based
16 on the liability for individual income tax, sales and use taxes, gasoline, and
17 special fuels taxes paid to the state of Louisiana by all of the students and their
18 parents or legal guardians in the prior year as determined by the Department
19 of Revenue as provided for in Paragraph (A)(1) of this Section.

20 (2) No later than June thirtieth of each fiscal year, the Board of Regents
21 shall certify to the Department of Revenue the total headcount enrollment at
22 public institutions of higher education in the previous fall. The Department of
23 Revenue shall determine the total amount of the credit based on the allowable
24 appropriation, headcount, and the provisions in this Section and shall provide
25 to the treasurer from the current collections of taxes an amount of funds equal
26 to such determination. Upon notification from the Department of Revenue and
27 receipt of the funds, the treasurer is authorized and directed to deposit or
28 transfer such funds into the Higher Education Initiatives Fund pursuant to R.S.
29 17:3129.6. The secretary of the Department of Revenue and the treasurer shall

institution of higher education. Each student assessed shall be granted a SAVE credit against income, sales and use, gasoline and special fuel taxes equal to the individual amount of a SAVE assessment. The amount of each credit must not exceed the average household tax liability in Louisiana for the total of such taxes as determined and published by the Department of Revenue no later than June 30th of each fiscal year.

The SAVE credit is a transferable, nonrefundable credit against the tax liability set forth above of a student, or his parent or legal guardian, which must be transferred to the board and used solely as set forth below for each student enrolled in a public institution of higher education on and after July 1, 2015.

The Department of Revenue is to distribute student eligibility determination criteria to the board to be used for requesting the credit for student assessments from the department. Student eligibility is to be based on the tax liability set forth above paid to the state by all of the students and their parents or legal guardians in the prior year as determined by the Department of Revenue.

No later than June 30th of each fiscal year, the board must certify to the department the total headcount enrollment at public institutions of higher education in the previous fall. The department then must determine the total amount of the credit and must transfer from the current collections of taxes that amount to the treasurer. Upon receipt of the funds, the treasurer is authorized and directed to transfer or deposit the funds into the Higher Education Initiatives Fund in R.S. 17:3129.6. The secretary of the department and the treasurer must report such action to the commissioner of administration and the Joint Legislative Committee on the Budget. In no event can the credit or assessment exceed the amount appropriated by the legislature from the Higher Education Initiatives Fund each fiscal year. For Fiscal Year 2015-2016, the total allowable amount available for transfer shall be designated in the supplementary section of Schedule 19-671 Board of Regents in the Act that originated as HB1 of the 2015 Regular Session of the Legislature of Louisiana. The legislature is required to determine the total allowable amount available for transfer for Fiscal Year 2016-2017 and thereafter.

Proposed law requires the Board of Regents to distribute all funds appropriated from the Higher Education Initiatives Fund derived from the SAVE Credit program pursuant to its formula for the equitable distribution of funds to public institutions of higher education.

Proposed law provides that no student or student's parent or legal guardian shall be required to pay an assessment that is not offset by a SAVE Credit.

Proposed law provides that the tax credit registry is not applicable to the proposed law.

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

(Adds R.S. 47:6039)