

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 284** SLS 15RS 2037
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.: SB 223

Date: May 29, 2015 11:50 AM	Author: DONAHUE
Dept./Agy.: Revenue / Board of Regents	Analyst: Greg Albrecht
Subject: Higher Education Funding	

TAX/TAXATION RE DECREASE GF RV See Note Page 1 of 1
 Establishes the Student Assessment for a Valuable Education (SAVE) Credit Program. (gov sig)

Establishes the SAVE credit program to facilitate higher education funding. Aggregate funding is determined by enrollments and a student assessment no more than the average household liability of income taxes, sales taxes, and motor fuels taxes, as determined by the Department of Revenue annually. Aggregate funding is transferred into the Higher Education Initiatives Fund by the Treasury from current tax collections. Funding is appropriated to the Board of Regents and distributed among schools by the Board based on its formula for equitable distribution. No student or parent/guardian shall pay an assessment which is not offset by a SAVE credit.

Effective upon governor's signature.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

No more than the amount transferred into the Higher Education Initiatives Fund as a result of the SAVE credit program is to be appropriated from the Higher Education Initiatives Fund each year by the legislature to the Board of Regents. The Board shall distribute the funds received to public higher education institutions pursuant to its formula for equitable distribution.

REVENUE EXPLANATION

Based on the annual determination by the Department of Revenue of the average Louisiana household liability for income taxes, sales taxes, and motor fuels taxes, a SAVE credit of no more than that amount is granted to each student enrolling in a public higher education institution. The Board of Regents is to levy an equivalent assessment on each student enrollee. Credits shall be transferred to the Board. The Board is to certify to the Department of Revenue the total headcount enrollment at public higher education institutions. The Treasury is to transfer, into the Higher Education Initiatives Fund from current tax collections, as determined by the Department of Revenue, an amount of funds equivalent to the product of the enrollee assessment and the enrollment headcount. This transfer results in the decrease of general fund resources and the increase in dedicated resources in the table above. No assessment is paid by enrollees and no tax liabilities are reduced. The credit is essentially a credit against higher education costs. SAVE credits are exempted from the tax credit registry program.

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| Senate | <u>Dual Referral Rules</u> | House | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

John D. Carpenter
Legislative Fiscal Officer