

CONFERENCE COMMITTEE REPORT

SB 93

2015 Regular Session

Adley

June 11, 2015

To the Honorable President and Members of the Senate and to the Honorable Speaker and Members of the House of Representatives.

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning Senate Bill No. 93 by Senator Adley, recommend the following concerning the Reengrossed bill:

1. That House Committee Amendment Nos 1 through 3, proposed by the House Committee on Ways and Means and adopted by the House of Representatives on May 28, be adopted.
2. That House Committee Amendment No. 4, proposed by the House Committee on Ways and Means and adopted by the House of Representatives on May 28, 2015, be rejected.
3. That House Floor Amendment, proposed by Representative Barrow and adopted by the House of Representatives on June 8, 2015, be adopted.
4. That House Floor Amendment Nos. 1 through 4, proposed by Representative Leger and adopted by the House of Representatives on June 8, 2015, be rejected.
5. That the following amendments to the Reengrossed bill be adopted:

AMENDMENT NO. 1

On page 1, line 2, after "(D)(1)" insert "and to enact R.S. 47:6039"

AMENDMENT NO. 2

On page 1, line 3, after "fees;" insert:

"to grant a transferable SAVE credit for each student enrolling at a public institution of higher education; to provide for the Student Assessment for a Valuable Education (SAVE) Credit Program and for determination of and limitation on the amount of credit granted, and distribution of certain funds;"

AMENDMENT NO. 3

On page 1, line 6, after "reenacted" insert "and R.S. 47:6039 is hereby enacted"

AMENDMENT NO. 4

On page 2, between lines 2 and 3, insert:

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

A. The Program. (1) The Board of Regents shall implement a Student Assessment for a Valuable Education (SAVE) Credit Program for each student enrolling at a public institution of higher education. Each student assessed shall be granted a SAVE credit provided for in this Section against individual income, sales and use, gasoline, and special fuels taxes equal to the individual amount of a SAVE assessment. The amount of each credit shall not exceed the

average household tax liability in Louisiana for the total of the following: individual income, sales and use, gasoline, and special fuels taxes as determined and published by the Department of Revenue no later than June thirtieth of each fiscal year. The aggregate amount of SAVE credits granted in any fiscal year shall not exceed three hundred fifty million dollars.

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

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

(2) No later than June thirtieth of each fiscal year, the Board of Regents shall certify to the Department of Revenue the total headcount enrollment at public institutions of higher education in the previous fall. The Department of Revenue shall determine the total amount of the credit based on the allowable appropriation, headcount, and the provisions in this Section and shall provide to the treasurer from the current collections of taxes an amount of funds equal to such determination. Upon notification from the Department of Revenue and receipt of the funds, after compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, the treasurer is authorized and directed to deposit or transfer such funds into the Higher Education Initiatives Fund pursuant to R.S. 17:3129.6. The secretary of the Department of Revenue and the treasurer shall report immediately such action to the commissioner of administration and the Joint Legislative Committee on the Budget.

(3) In no event shall 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. For Fiscal Year 2016-2017 and thereafter, the total allowable amount available for transfer shall be determined by the legislature.

C. Allocation of SAVE program credits. The Board of Regents shall 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.

D. No student or student's parent or legal guardian shall be required to pay an assessment that is not offset by a SAVE credit pursuant to this Section.

E. The requirements of R.S. 47:1524 shall not be applicable to the credits provided for in this Section.

F. The provisions of this Section shall be null, void, and of no effect on and after July 1, 2020."

Respectfully submitted,

Senators:

Senator Robert Adley

Senator Jack Donahue

Senator Conrad Appel

Representatives:

Representative Lance Harris

Representative Joel C. Robideaux

Representative Kirk Talbot

The legislative instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Riley Boudreaux.

CONFERENCE COMMITTEE REPORT DIGEST

SB 93

2015 Regular Session

Adley

Keyword and summary of the bill as proposed by the Conference Committee

TAX/INCOME/PERSONAL. Prohibits the \$25 credit for educational expenses for each child attending nonpublic elementary and secondary school if the tax deduction for payment of tuition and fees is taken. (gov sig)

Report adopts House amendments to:

1. Insure that the credit for educational expenses is claimed by Louisiana residents for Louisiana school expenses.

Report rejects House amendments which would have:

1. Increased the amount of the tax credit from 3.5% to 7%.

Report amends the bill to:

1. Establish the Student Assessment for a Valuable Education (SAVE) tax credit program.

Digest of the bill as proposed by the Conference Committee

Present law grants a maximum credit of \$25 for educational expenses incurred for each child attending kindergarten, elementary, or secondary school.

Proposed law disallows the credit if the deduction for the payment of tuition and fees for nonpublic elementary and secondary school tuition is taken for the child as provided for in R.S. 47:297.10.

Proposed law establishes the Student Assessment for a Valuable Education (SAVE) Credit Program.

Proposed law requires the Board of Regents (the board) to implement a Student Assessment for a Valuable Education (SAVE) Credit Program for each student enrolling at a public 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 aggregate amount of credits cannot exceed \$350 million.

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.

Proposed law is null and void, and of no effect on and after July 1, 2020.

Applicable to tax years beginning on and after January 1, 2015.

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

(Amends R.S. 47:297(D)(1); adds R.S. 47:6039)