

2025 Regular Session

HOUSE BILL NO. 477

BY REPRESENTATIVE FREIBERG

TAX CREDITS: Authorizes university laboratory schools to participate in the student tuition organization tax credit program

1 AN ACT

2 To amend and reenact R.S. 47:6301(B)(1)(a) and (2)(a)(introductory paragraph) and (i),  
3 relative to income tax; to provide for the income tax credit for donations to school  
4 tuition organizations; to provide for eligibility requirements for schools; to provide  
5 for definitions; to provide certain requirements; to provide for effectiveness; and to  
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 47:6301(B)(1)(a) and (2)(a)(introductory paragraph) and (i) are  
9 hereby amended and reenacted to read as follows:

10 §6301. Credit; donations to school tuition organizations

11 \* \* \*

12 B.(1)(a) For purposes of this Section, the term "school tuition organization"  
13 shall mean a tax exempt organization organized under Section 501(c)(3) of the  
14 Internal Revenue Code which adheres to the requirements of this Section. The  
15 amount of scholarships awarded by a school tuition organization shall equal the  
16 amount of donations the organization receives from taxpayers, minus allowable  
17 administrative or promotional costs. No less than ninety-five percent of the monies  
18 received by the school tuition organization from taxpayer donations for scholarships  
19 shall be used to provide scholarships to students for attendance at a qualified  
20 nonpublic school or a laboratory school operated by a public college or university

1 of their parent's choice. In addition, a school tuition organization shall provide  
2 educational scholarships to students without limiting available scholarships to  
3 students of only one qualified school.

4 \* \* \*

5 (2)(a) For purposes of this Section, a "qualified school" shall mean a  
6 nonpublic elementary or secondary school in this state which is approved,  
7 provisionally approved, or probationally approved by the Board of Elementary and  
8 Secondary Education and which complies with the criteria set forth in *Brumfield, et*  
9 *al. v. Dodd, et al., 425 F. Supp 528*. A "qualified school" shall also include a  
10 laboratory school operated by a public college or university in this state. A qualified  
11 school shall do all of the following:

12 (i) Conduct criminal background checks on its employees and exclude from  
13 employment any person not permitted by state law to work in a nonpublic school or  
14 a laboratory school operated by a public college or university. The Department of  
15 Education shall bar an otherwise qualified school from participating in the credit  
16 authorized under this Section if the otherwise qualified school fails to comply with  
17 the requirements of this Item.

18 \* \* \*

19 Section 2. The provisions of this Act shall become effective beginning on January  
20 1, 2026, and shall be applicable to donations made to a school tuition organization which  
21 provides scholarships to qualified students to attend a qualified school for the 2026-2027  
22 school year and thereafter.

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DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

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HB 477 Engrossed 2025 Regular Session Freiberg

**Abstract:** Includes a laboratory school operated by a public college or university as a "qualified school" for purposes of participating in the school tuition organization tax credit program.

Present law authorizes an income tax credit for donations a taxpayer makes during a taxable year to a school tuition organization (STO) that provides scholarships to qualified students to attend a qualified school. In order to qualify for the credit, the donation shall be made by a taxpayer who is required to file a La. income tax return. The amount of the credit shall be equal to the actual amount of the taxpayer's donation used by an STO to fund a scholarship to a qualified student, which shall not include administrative costs.

Present law authorizes the credit to be used in addition to any federal tax credit or deduction earned for the same donation. However, a taxpayer shall not receive any other state tax benefit for which the taxpayer has received a tax credit pursuant to present law. Further provides that if the amount of the tax credit exceeds the total tax liability of the taxpayer in the taxable year, the amount of the credit not used as an offset against tax liability may be carried forward as a credit against subsequent income tax liabilities for a period not to exceed three taxable years.

Present law defines a "qualified student" as a child who is a member of a family that resides in La. with a total household income that does not exceed 250% of the federal poverty level and who is a student that is entering kindergarten for the first time, a student who attended a public school the previous year, or a student who received a scholarship from an STO or the Student Scholarships for Educational Excellence Program for the previous school year.

Proposed law retains present law.

Present law defines a "qualified school" as a nonpublic elementary or secondary school in this state which is approved, provisionally approved, or probationally approved by the Board of Elementary and Secondary Education and which complies with the criteria set forth in *Brumfield, et al. v. Dodd, et al.*, 425 F. Supp 528. Present law requires qualified schools to conduct criminal background checks on its employees and to exclude from employment any person not permitted by state law to work in a nonpublic school.

Proposed law retains present law but adds a laboratory school operated by a public college or university in this state to the definition of a "qualified school" and extends the requirement for a qualified school to conduct criminal background checks on its employees to a laboratory school operated by a public college or university.

Effective January 1, 2026, and applicable to donations made to an STO which provides scholarships to qualified students to attend a qualified school for the 2026-2027 school year and thereafter.

(Amends R.S. 47:6301(B)(1)(a) and (2)(a)(intro. para.) and (i))