

## HOUSE SUMMARY OF SENATE AMENDMENTS

**HB 501**

**2015 Regular Session**

**Robideaux**

TAX/TAXATION: Provides for a state and local sales and use tax exemption for certain aircraft manufactured in Louisiana

### Synopsis of Senate Amendments

1. Adds the Student Assessment for a Valuable Education (SAVE) Credit Program to the bill.
2. Provides that the credit is a transferable, nonrefundable credit against the tax liability of a student, or his parent or legal guardian, against income, sales and use, gasoline and special fuel taxes.
3. Requires the credit to be transferred to the Board of Regents for application as provided in proposed law.

### Digest of Bill as Finally Passed by Senate

Present law provides for the levy of a tax upon the sale at retail, the use, the consumption, the distribution, and the storage for use or consumption in this state, of each item of tangible personal property. Further provide for exemptions and exclusions from the levy of the tax.

Present law provides that for purposes of the levy of the tax, the term "sale at retail" shall not include sales of La. manufactured or assembled passenger aircraft with a capacity in excess of 50 persons if, after all transportation has been completed, the aircraft is ultimately received by the purchaser outside of the state.

Proposed law changes present law by specifying that the exemption applies to both state and local sales and use taxes. Additionally, changes the seating capacity for such aircraft manufactured or assembled in La. from a capacity in excess of 50 persons to a maximum capacity of eight persons. Additionally specifies that the place at which the aircraft is ultimately received shall be considered as the place at which the aircraft is stored after all transportation has been completed.

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 shall not exceed the average household tax liability in La. for the total of such taxes as determined and published by the Dept. of Revenue (DOR) no later than June 30th of each fiscal year.

Proposed law provides that the SAVE credit is a transferable, nonrefundable credit against the tax liability of a student, or his parent or legal guardian. Requires the credit to be transferred to the board and used solely as provided in proposed law for each student enrolled in a public institution of higher education on and after July 1, 2015.

Proposed law requires DOR 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 DOR.

No later than June 30th of each fiscal year, the board is required to certify to DOR the total headcount enrollment at public institutions of higher education in the previous fall. DOR must then determine the total amount of the credit and shall transfer that amount from the current collections of taxes 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. The secretary of DOR and the treasurer shall report their 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 FY15-16, 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 HB No. 1 of the 2015 R.S. of the Legislature. The legislature shall determine the total allowable amount available for transfer for FY16-17 and thereafter.

Proposed law requires the board 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.

(Amends R.S. 47:301(10)(m); Adds R.S. 47:6039)