The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Senate Legislative Services. The keyword, summary, 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)]

DIGEST 2025 Regular Session

SB 123 Original

Jackson-Andrews

<u>Proposed law</u> authorizes a credit of 95% of donations a taxpayer makes during a taxable year to public schools which receive a letter grade of "D" or "F" for the most recent year, pursuant to the Louisiana School and District Accountability System. In order to qualify for the credit, the donation must be made by a taxpayer who is required to file a Louisiana income tax return.

<u>Proposed law</u> requires that donations be used by the public school for the costs and expenses of any of the following:

- (1) Purchasing instructional materials and supplies used in classrooms or in tutorial programs to enhance student learning.
- (2) Establishing and maintaining tutorial programs designed to enhance student academic achievement.
- (3) Establishing and maintaining in-school child care programs for student parents.
- (4) Establishing and maintaining school-based health clinics.
- (5) Meeting any of the requirements prescribed for academically unacceptable schools prescribed in present law.

<u>Proposed law</u> requires the Department of Revenue (DOR) to provide the format for a receipt issued by the public school to the taxpayer indicating the amount of the donation and the letter grade of the public school that received the donation. Further requires the receipt to include certification from the public school that the donation will be used for one of the authorized purposes provided for in <u>proposed law</u>. The taxpayer may be required to provide a copy of the receipt when claiming the credit.

<u>Proposed law</u> requires the governing authority of the public school receiving a donation eligible for the credit to provide a public report to DOR and the Department of Education prepared by a CPA and submitted no later than the last day of February of each year. Further requires the report be submitted in an electronic format approved by DOR and requires the report to include:

- (1) The name and address of the public school receiving the donation.
- (2) The total number and total dollar amount of donations received during the previous calendar

year.

- (3) Total amount of donations made by each taxpayer during the previous calendar year.
- (4) The name, address, and the federal employer identification number or the last four digits of the social security number of each taxpayer who donates.

<u>Proposed law</u> limits the total amount of credits granted pursuant to <u>proposed law</u> to \$10,000,000 per calendar year. Requires DOR to approve credits on a first-come, first-serve basis until the maximum amount of credits has been granted.

<u>Proposed law</u> provides that no credits shall be granted pursuant to this program for taxable periods beginning on or after January 1, 2028.

Effective January 1, 2026, and applicable to donations made to a public school for the 2025-2026 school year and thereafter.

(Adds R.S. 47:6302)