

CONFERENCE COMMITTEE REPORT

HB 238**2025 Regular Session****McFarland**

June 10, 2025

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

Ladies and Gentlemen:

We, the conferees appointed to confer over the disagreement between the two houses concerning House Bill No. 238 by Representative McFarland, recommend the following concerning the Reengrossed bill:

1. That Senate Committee Amendments Nos. 1 through 3 and 5 by the Senate Committee on Revenue and Fiscal Affairs (#2205) be rejected.
2. That Senate Committee Amendments Nos. 4 and 6 by the Senate Committee on Revenue and Fiscal Affairs (#2205) be adopted.
3. That the following amendments be adopted:

AMENDMENT NO. 1

In Senate Committee Amendment No. 4 by the Senate Committee on Revenue and Fiscal Affairs (#2205), on page 1, line 17, after "297.20(C), and" delete the remainder of the line in its entirety and delete line 18 in its entirety and insert the following:

"6042(D), (E), and (F)(4) are hereby amended and reenacted to read as follows:"

AMENDMENT NO. 2

In Senate Committee Amendment No. 6 by the Senate Committee on Revenue and Fiscal Affairs (#2205), on page 2, line 38, after "all" delete the remainder of the line in its entirety and delete line 39 in its entirety and insert "qualifying foster care charitable organizations that held a valid, unsuspended license issued by the Department of Children and Family Services during"

AMENDMENT NO. 3

In Senate Committee Amendment No. 6 by the Senate Committee on Revenue and Fiscal Affairs (#2205), on page 2, at the beginning of line 41, delete "nonprofit"

AMENDMENT NO. 4

On page 1, delete lines 2 and 3 in their entirety and insert the following:

"To amend and reenact R.S. 47:297.10(A), 297.11(A), 297.12(A)(introductory paragraph) and (B)(1), 297.20(C), and 6042(D), (E), and (F)(4) and to repeal R.S. 47:6042(B), relative to income tax; to provide for the tax deduction for educational expenses for home-schooled children; to provide for the tax deduction for fees and other educational expenses for a quality education; to provide for reporting requirements; to provide for tax benefits for adoption of children"

AMENDMENT NO. 5

On page 2, delete lines 11 through 17 in their entirety

AMENDMENT NO. 6

On page 3, delete lines 13 through 28 in their entirety and on page 4, delete lines 1 and 2 in their entirety and insert the following:

"(4) "Qualifying foster care charitable organization" or "foster care organization" means ~~an organization that meets all of the following criteria:~~

~~(a) Is exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code.~~

~~(b) Provides services to at least twenty-five qualified individuals each operating year.~~

~~(c) Spends at least seventy-five percent of its total budget on providing services to qualified individuals or spends at least seventy-five percent of its funds budgeted for Louisiana on providing services to qualified individuals and the organization certifies to the department that one hundred percent of the donations it receives from Louisiana residents will be spent on providing services to qualified individuals.~~

~~(d) Is approved by the department after applying as provided in Subsection B of this Section an organization licensed by the Department of Children and Family Services as a child placing agency to provide adoption and foster care services."~~

AMENDMENT NO. 7

On page 4, between lines 3 and 4, insert the following:

"Section 2. R.S. 47:6042(B) is hereby repealed in its entirety."

AMENDMENT NO. 8

On page 4, at the beginning of line 4, delete "Section 2." and insert "Section 3."

AMENDMENT NO. 9

On page 4, at the beginning of line 6, delete "Section 3." and insert "Section 4."

Respectfully submitted,

Representative Jack G. McFarland

Senator Franklin J. Foil

Representative Julie Emerson

Senator Beth Mizell

Representative Emily Chenevert

Senator Glen Womack

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)]

CONFERENCE COMMITTEE REPORT DIGEST

HB 238

2025 Regular Session

McFarland

Keyword and oneliner of the instrument as it left the House

TAX/INCOME TAX: Provides relative to tax benefits for adoption of children from foster care and donations to foster care charitable organizations

Report adopts Senate amendments to:

1. Delete references to previously repealed La. dependency exemptions appearing in present law relative to certain education-related income tax deductions.
2. Require that, in order for a taxpayer to qualify for those deductions, a child must be claimed as a dependent on the taxpayer's federal income tax return.
3. In connection with a tax credit for donations to foster care charitable organizations, require the Dept of Children and Family Services (DCFS) to submit an annual report to the Dept. of Revenue (DOR) with information on those organizations.

Report rejects Senate amendments which would have:

1. Required DCFS to submit an annual report to DOR listing all finalized adoptions from foster care or of youth receiving extended foster care services during the previous calendar year.

Report amends the bill to:

1. Define "qualifying foster care charitable organization" and "foster care organization", for purposes of present law and proposed law, as an organization licensed by DCFS as a child placing agency to provide adoption and foster care services.
2. Repeal present law requiring that an organization seeking to become a qualifying foster care charitable organization apply to DOR for that designation.

Digest of the bill as proposed by the Conference Committee

Present law authorizes a tax deduction for adoption of children from foster care. Authorizes the secretary of the Dept. of Revenue (DOR) to promulgate rules to implement present law, including rules related to submission of documentation when claiming the deduction.

Proposed law retains present law and provides that if the rules of DOR require the submission of a deduction eligibility certification letter and the secretary of the department determines that the process of obtaining that letter is an impediment to, or causes an undue burden for, claiming of the deduction, then the secretary may amend the rules to provide for an alternative process for eligibility certification. Provides that the process may include certification on a standardized form.

Present law authorizes a tax credit for donations to certain foster care charitable organizations. Provides for defined terms and corresponding definitions applicable to

present law, including a definition for "qualifying foster care charitable organization" or "foster care organization".

Proposed law changes the definition of "qualifying foster care charitable organization" or "foster care organization" to mean an organization licensed by the Department of Children and Family Services (DCFS) as a child placing agency to provide adoption and foster care services.

Proposed law repeals present law requiring that an organization seeking to become a qualifying foster care charitable organization apply to DOR for that designation.

Present law requires that, when claiming the credit for donations to foster care organizations, a taxpayer shall provide a copy of a receipt for the donation to a qualifying foster care charitable organization. Requires DOR to provide a standardized format for the receipt.

Proposed law repeals the requirement that DOR establish the format for these receipts and instead prescribes the content of the receipts (content which matches that required for charitable donation receipts for federal income tax purposes).

Proposed law requires DCFS to submit a report to DOR by Jan. 31st annually listing all qualifying foster care charitable organizations that held a valid, unsuspended, DCFS-issued license during the prior calendar year. Requires that the report be in electronic format and specifies the required content of the report.

Present law establishes income tax deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and fees and other educational expenses for a quality public education. Requires that in order for a taxpayer to claim any of these deductions, the child must qualify as a dependency exemption on the taxpayer's La. income tax return.

Proposed law repeals references to the previously repealed La. dependency exemption within present law relative to the tax deductions for elementary and secondary school tuition, educational expenses for home-schooled children, and fees and other educational expenses for a quality public education. Requires instead that in order for a taxpayer to qualify for these deductions, a child must be claimed as a dependent on the taxpayer's federal income tax return.

Proposed law applies to taxable periods beginning on or after Jan. 1, 2025.

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

(Amends R.S. 47:297.10(A), 297.11(A), 297.12(A)(intro. para.) and (B)(1), 297.20(C), and 6042(D), (E), and (F)(4); Repeals R.S. 47:6042(B))