

## HOUSE SUMMARY OF SENATE AMENDMENTS

House Bill No. 1106 by Representative Katrina Jackson

STATE GRANTS: Authorizes a rebate for donations to certain public schools

### Synopsis of Senate Amendments

1. Increases the rebate amount for donations made to public schools that received a letter grade of "D" for the most recent year from 50% to 75% and increases the rebate amount for donations made to public schools that received a letter grade of "B" or "C" for the most recent year from 25% to 75%.
2. Clarifies that authorization to increase the annual cap by 20% depends on whether the amount of rebates awarded reaches 90% of the current year's cap.
3. Adds provision that the Dept. of Revenue (DOR) approve rebates starting on Jan. 1<sup>st</sup> for income tax years ending prior to that date.
4. Authorizes public schools to use donations for school based health clinics.
5. Adds requirement that the governing authority of a public school which received a donation to provide a public report to the DOR no later than Jan. 1<sup>st</sup> of each year. Further provides for the information which shall be included in the report.
6. Adds requirement that the DOR prepare, as an addendum to each report, the amount and date of issuance of each rebate. Requires DOR to furnish an electronic format for this report to the Dept. of Education on or by Feb. 1<sup>st</sup> of each year.
7. Adds provision that the release of information contained in the addendum prepared by DOR shall not be a violation of the present law provisions relative to the confidentiality of tax records.

### Digest of Bill as Finally Passed by Senate

Proposed law authorizes a rebate of 75% of donations a taxpayer makes during a taxable year to public schools which received a letter grade of "B", "C", "D", or "F" for the most recent year pursuant to the La. School and District Accountability System. In order to qualify for the rebate, the donation must be made by a taxpayer who files a state income tax return.

Proposed law requires that donations be used by the public school for purchasing instructional materials and supplies, for costs and expenses in establishing and maintaining tutorial programs, for costs and expenses in establishing and maintaining in-school child care programs for student parents, school based health clinics, or for meeting any of the requirements prescribed in current rules and regulations for academically unacceptable schools.

Proposed law requires the Dept. of Revenue (DOR) to provide the format for a receipt that shall indicate 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 proposed law. The taxpayer shall provide a copy of the receipt when claiming the rebate.

Proposed law requires the governing authority of a public school which received a donation to provide a public report prepared by a certified public accountant to the DOR no later than

Jan. 1<sup>st</sup> of each year. Further requires the report to contain the name and address of the public school, the total number and total dollar amount of donations received during the previous fiscal year, the total amount of contributions made by each contributor during the previous calendar year, and the social security number or La. taxpayer identification number of each contributor.

Proposed law requires the DOR to prepare, as an addendum to each report, the amount and date of issuance of each rebate issued pursuant to proposed law. Provides that the release of such information shall not be a violation of the present law provisions relative to the confidentiality of tax records. Requires DOR to furnish an electronic format for this report to the Dept. of Education on or by the first day of February of each year.

Proposed law limits the total amount of rebates issued pursuant to proposed law to \$10 million per calendar year; however, in any year that the amount of rebates awarded reaches 90% of the current year annual cap, the annual cap for the next year shall be increased by 20%. Requires DOR to approve rebates, starting on Jan. 1<sup>st</sup> for income tax years ending prior to that date, on a first-come, first-served basis until the maximum amount of rebates has been issued.

Proposed law requires rebates to be paid from the current collections of the taxes imposed by present law.

Effective Jan. 1, 2013, and shall be applicable to donations made to a public school for the 2013-2014 school year and thereafter.

(Adds R.S. 47:6301)