

Proposed law would have authorized 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 would have been required to be made by a taxpayer who filed a state income tax return.

Proposed law would have required 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 would have required the Dept. of Revenue (DOR) to provide the format for a receipt indicative of the amount of the donation and the letter grade of the public school that received the donation. Further required the receipt to include certification from the public school that the donation would have been used for one of the authorized purposes provided for in proposed law. The taxpayer would have been required to provide a copy of the receipt when claiming the rebate.

Proposed law would have required 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 of each year. Further required 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 would have required DOR to prepare, as an addendum to each report, the amount and date of issuance of each rebate issued pursuant to proposed law. The release of such information would not have been a violation of present law provisions relative to the confidentiality of tax records. Would have required DOR to furnish an electronic format for this report to the Dept. of Education on or by the first day of Feb. of each year.

Proposed law limited 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 reached 90% of the current year annual cap, the annual cap for the next year would have been increased by 20%. Would have required DOR to approve rebates, starting on Jan. 1 for income tax years ending prior to that date, on a first-come, first-served basis until the maximum amount of rebates had been issued.

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

Would have been effective Jan. 1, 2013, and would have been applicable to donations made to a public school for the 2013-2014 school year and thereafter.

(Proposed to add R.S. 47:6301)

### **VETO MESSAGE**

"K-12 education is fully funded at a level of \$3.41 billion through the Minimum Foundation Program (MFP) in Fiscal Year 2013. House Bill No. 1106 provides for an additional \$10 million outside of the MFP, but does not have a corresponding appropriation in House Bill No. 1.

Therefore, I have vetoed House Bill No. 1106 and hereby return it to the House of Representatives."