

STO Changes "Rebate" to "Credit"

Category	Section(s) in Bulletin 134	Summary
Rebate v. Credit	Throughout	Changes the tax rebate to a non-refundable tax credit
Eligible donors	§103 §501	Credit can only be earned by a person/entity who is required to file a tax return and actually files one (is a taxpayer)
STO accountability	§301	Requires LDE to bar an STO that employs or allows a person to be a board member who has been convicted of or entered a plea of nolo contendere to a crime listed in R.S. 15:587.1.
STO accountability	§301 §1101	Requires LDE to bar STOs that fail to comply with criminal background requirements
Eligible scholarship recipients	§311	Requires LDE to verify that each student receiving a tuition donation scholarship was not enrolled in a Louisiana public school on October 1st or February 1st of the same year the student received the scholarship.
Use of donation	§313	Donors can no longer request a refund from the STO of unexpended donated funds
Use of donation	§503	Donors can no longer specify a deadline by which the STO must use the donation
Tax benefits	§505	Donor can receive a <i>federal</i> tax benefit for the same donation, but cannot receive any other <i>state</i> tax benefit for the same donation
Tax benefits	§505	If the amount of the credit (same as the amount of the donation) is larger than the donor's Louisiana tax liability, the excess credit can be carried forward and applied to future tax liabilities for up to three years
Tax benefits	§505	The donor earns the tax credit as soon as they make the donation (no delay; ex: can donate on December 31 st for credit in same tax year)
Technical edit	§703	Technical edit to align with law.
STO accountability	§705	LDE is required to bar an STO for the current and subsequent school year for failing to turn in the required annual report to LDE by January 1 st each year. LDE may grant a single 30-day extension to the STO for good cause only. Otherwise, LDE is required to bar the STO if the report is late.
Use of donations	§707	Requires STOs to pay out or reserve pay-outs for at least 75% of all donations received. Requires STO to remit funds not paid out or reserved for pay-out in excess of 25% to the state general fund

Note:

Per Act 377- Title 28 Bulletin 134 505 D-E

D. The taxpayer may use the credit **in addition to any federal tax credit or deduction earned for the same donation**. However, a taxpayer shall not receive any other state tax credit, exemption, exclusion, deduction or any other tax benefit for which the taxpayer has received a tax credit under the tuition donation program.

E. In the event that the tax credit earned through the tuition donation program exceeds the total tax liability of the taxpayer in the taxable year, the amount of the credit not used as an offset against such tax liability in the taxable year may be **carried forward** as a credit against subsequent income tax liabilities for a period not to exceed **three taxable years**.