

Revenue Information Bulletin No. 14-014

July 11, 2014

Corporation Income Tax

School Tuition Organization Rebates Claimed by Nonprofits and Other Exempt Organizations

Louisiana Revised Statute 47:6301 authorizes a rebate for taxpayers who make donations to qualified school tuition organization (STOs). The rebate is equal to the amount of the donation used by the STO to fund scholarships for qualified students, and does not include any STO administrative costs funded by the donation.

In order to be eligible to receive an STO rebate, the donor must file an income tax return with the Louisiana Department of Revenue even if they would otherwise not be required to file.

To comply with the income tax filing requirement, nonprofits and other organizations exempt from state corporate income tax that donate to an STO must register with the Louisiana Department of Revenue for corporate income tax and file a Louisiana Corporate Income Tax Return, CIFT-620 for the year in which the donation is made, showing zero income unless the organization has unrelated business taxable income. Nonprofit and exempt organizations that have unrelated business taxable income should see Revenue Information Bulletin No. 09-009 for information on how to report that income.

At the end of each school year, the Louisiana Department of Education will verify the amount of each donation that is spent on scholarships and issue a rebate form to each donor that shows the amount of the donation. In order to issue the rebate form, the Department of Education will need the donor's Louisiana revenue account number that was issued when the donor registered for corporate income tax. The donor will complete the rebate form and remit the completed form to the Louisiana Department of Revenue.

Additional information regarding the Tuition Donation Rebate Program is available on the Louisiana Department of Education's website at <http://www.louisianabelieves.com/schools/tuition-donation-rebate-program>.