Revenue Information Bulletin
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Individual Income Tax

Income Exemption and Carryforward Provisions of the START Program

START account owners filing a single or married filing separately tax return may exempt up to a maximum of $2,400 for an established START account from Louisiana income for individual income tax purposes. An account owner filing a joint return may exempt up to a maximum of $4,800 per beneficiary of an established START account from Louisiana income for individual income tax purposes.

With respect to a carryforward, the Department of Revenue will look to the specific START account when determining the amount of the carryforward.


“For tax years beginning on and after January 1, 2001, amounts which an account owner deposits into an educational savings account shall be exempt from inclusion in the account owner’s taxable income for the purposes of state income tax up to a maximum of two thousand four hundred dollars per account owned per taxable year for account owners filing single returns and up to a maximum of four thousand eight hundred dollars per beneficiary per taxable year for account owners filing joint returns, as provided in La. Rev. Stat. Ann. § 47:293 (6)(a)(vi) (2002). If an account owner deposits less than the maximum two thousand four hundred dollars per year in an owned account and files a single return or if married account owners deposit less than the maximum of four thousand eight hundred dollars per year in an account or accounts for a beneficiary and file a joint return, the difference between the total deposits and two thousand four hundred dollars or four thousand eight hundred dollars, respectively, will roll over to subsequent years and will be exempt from inclusion in the account owner’s taxable income for the purposes of state income tax in addition to the two thousand four hundred dollars or four thousand eight hundred dollars in the year actually deposited, as provided in La. Rev. Stat. Ann. § 47:293(6)(1)(vi) (2002).”

If an individual deposits into a beneficiary's account less than the maximum allowable exemption, the difference between the total deposits and the maximum exemption may be carried forward to subsequent years.

If a taxpayer has an active START account but fails to make a contribution in a tax year, the full amount that could have been contributed and exempted for that year will be carried forward to the following year. For example, a taxpayer filing a single return opens a START account in 2004 and contributes $2,400. If the taxpayer does not make a contribution the following year in 2005, the full amount of the $2,400 is carried forward to the next year. The same rule applies to individuals filing joint returns and the amount carried forward would be $4,800.

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A taxpayer who donates money into an educational savings account classified under R.S. 17:3096(A)(1)(e) can exempt twice the amount contributed into the account up to certain limits. The maximum exemption possible for donations made pursuant to 17:3096(A)(1)(e) is $4,800 for a taxpayer filing a single return and $9,600 for taxpayers filing a joint return. The requirements to qualify under R.S. 17:3096(A)(1)(e) are as follows: 1) any person or a government entity enters an agreement to donate to a START account, 2) the beneficiary is a resident of the state of Louisiana, 3) the federal adjusted income of the beneficiary's family is less than thirty thousand dollars or the beneficiary must be eligible for a free lunch under the Richard B. Russell National School Act (42 USC 1751et seq.), and 4) the deposits to the account are an irrevocable donation by the owner.

Contributions to an account made through the donation of an overpayment from an individual income tax return is to be considered a “regular drop deposit” and claimed as an exemption in the following year. Since the contributed refund is equally distributed to existing accounts, account specific rules apply.

START contributions will not be allowed to reduce Louisiana tax table income below zero.

General Example for carryforward provision:
If an individual filing a single tax return has two START accounts and contributes $1,800 to Account A and $2,000 to Account B, there will be, in effect, two carryforwards, one for $600 for Account A and one for $400 for Account B. If the individual had instead filed a joint return, two carryforwards would still exist, one for $3,000 for Account A and one for $2,800 for Account B. These carryforwards may be applied to any future income tax filing period providing that both accounts remain active. In order to fully utilize the carryforward during the next year, an individual filing a single tax return would have to contribute $3,000 to Account A and $2,800 to Account B. An individual filing a joint return would have to contribute $7,800 to Account A and $7,600 to Account B. Income exemptions of $5,800 for the filing status of single and $15,400 for the filing status of married filing jointly would then be allowed for that filing period. There is no commingling of carryforwards.

Interested parties should contact Taxpayer Services at (225) 219-0067.

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Secretary