

**Revenue Information Bulletin No. 09-019
December 4, 2009
Individual Income Tax**

The Elementary and Secondary School Tuition Deduction, the Educational Expenses for Home Schooled Children Deduction, and the Educational Expenses for a Quality Public Education Deduction

The Elementary and Secondary School Tuition Deduction, the Educational Expenses for Home-schooled Children Deduction, and the Educational Expenses for a Quality Public Education Deduction, as provided by R.S. 47:297.10, R.S. 47:297.11, and R.S. 47:297.12 allow individual income tax deductions for eligible expenses paid on or after January 1, 2009, for the parent or guardian who claims the student as a dependent for the current taxable year or who claimed the student as a dependent for the prior year's return. For each deduction, the eligible expenses must have been paid for children who attend grades kindergarten through the 12th grade.

The Board of Elementary and Secondary Education (BESE) Bulletin 741, § 3703, the Louisiana Handbook for School Administrators, defines an elementary school to include kindergarten, but not pre-kindergarten. A deduction for expenses paid for children who attend pre-kindergarten is not allowed. Extracurricular fees are *not* eligible for the deductions; including, but not limited to athletic fees, band fees, fees for field trips, and pre/after school care even if the fees are related to an academic pursuit.

The deductions, equal to 50 percent of the actual amount paid during the tax year by the taxpayer, limited to \$5,000 per dependent, must be reported on Schedule E of the Louisiana Resident Income Tax return, Form IT-540. The deductions are also allowed for Part-Year residents for school expenses paid in Louisiana during the time the taxpayer was a Louisiana resident and must be reported on the Nonresident and Part-Year Resident (NPR) Worksheet of the Nonresident and Part-Year Resident Income Tax return, Form IT-540B. The total amount of the deduction may not exceed the taxpayer's total taxable income. When filing Form IT-540 or Form IT-540B, the Louisiana School Expense Deduction Worksheet must be attached to the return, and taxpayers must retain all expense receipts as proof of the amounts paid.

Elementary and Secondary School Tuition Tax Deduction, R.S. 47:297.10

The deduction is for the tuition and fees required for a dependent's enrollment in a nonpublic elementary or secondary school which complies with the criteria set forth in *Brumfield, et al. v. Dodd, et al.* 425 F. Supp. 528 and Section 501(c)(3) of the Internal Revenue Code or to any public elementary or secondary laboratory school that is operated by a public college or university. For the purposes of the deduction, tuition also includes the purchase of school uniforms required by schools for general day-to-day use, the purchases of textbooks, curricula, or other instructional materials required by schools and the purchase of school supplies required by schools.

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Educational Expenses for Home Schooled Children Tax Deduction, R.S. 47:297.11

The deduction is for the educational expenses paid during the tax year by a taxpayer for home-schooling children. Qualified educational expenses include amounts paid for the purchase of textbooks and curricula necessary for home-schooling. In order to qualify for the deduction, the taxpayer must be approved by BESE for home-schooling.

Fees and Other Educational Expenses for a Quality Public Education Tax Deduction, R.S. 47:297.12

The deduction is for the fees or other “amounts” paid during a tax year by a taxpayer for a quality education of a dependent child enrolled in a public elementary or secondary school, including Louisiana Department of Education approved charter schools. For the purposes of the deduction, “amounts” also includes the purchase of school uniforms required by schools for general day-to-day use, the purchases of textbooks, curricula, or other instructional materials required by schools and the purchase of school supplies required by schools.

The four examples below are designed to provide additional guidance for the deductions:

Example 1: A nonpublic secondary school requires that incoming students purchase a certain model laptop computer from the school prior to entry. This computer will be used to turn in projects and communicate with teachers via email. The expenses associated with the purchase of the computer are added to the student’s tuition. Under such circumstances, the purchase of the computer would be eligible for the elementary and secondary school tuition tax deduction.

Example 2: A family sends one child to a nonpublic elementary school with a yearly tuition of \$4,000 and another child to a nonpublic secondary school with a yearly tuition of \$16,000. The elementary and secondary school tuition tax deduction is a per child deduction. As such, the limitations of the deduction are separately applied to each child’s tuition and fees. In this situation, the taxpayer would be entitled to two deductions, the first for fifty percent of \$4,000 for a total of \$2,000 and the second for fifty percent of \$16,000 which is limited by the per child cap to \$5,000. As such, the sum of the two deductions would be \$7,000.

Example 3: A family resides in Louisiana, but sends their child to a nonpublic secondary school in another state. The elementary and secondary school tuition tax deduction applies to resident taxpayers. As such, the taxpayer would be eligible for a deduction equal to fifty percent of the child’s tuition and fees, up to a maximum of \$5,000.

Example 4: Prior to the start of school, a public elementary school requires its students to purchase listed items of school supplies, including school uniforms. A student’s parent purchases from local retailers, only the supplies and uniforms listed by the school. Under such circumstances, the taxpayer would be eligible for a deduction equal to fifty percent of the purchase price of the listed school supplies and uniforms, up to a maximum of \$5,000.

Interested parties should contact Special Programs Division at (225) 219-0067.

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Secretary