

Prior to the start of the school year, schools that have been in business for less than five years and plan on receiving more than \$50,000 in scholarships from a School Tuition Organization must demonstrate their financial viability by posting a surety bond or providing financial information to a School Tuition Organization.

FOR POTENTIAL DONORS:

15. Who is eligible for a rebate for donations to this program?

Donors that have filed a Louisiana income tax return in the year for which they make a donation are eligible.

16. Can donors designate their donation for a specific student or group of students?

Taxpayers may not designate their donation for a specific student unless their donation benefits students with disabilities. Taxpayers may designate their donations for all students with disabilities, students with a specific type of disability, or a specific student with a disability.

17. Can donors designate their donation for a specific school or group of schools?

While donors may not designate their donation for a specific school, donors may coordinate with School Tuition Organizations to potentially designate their donation for a particular group of schools. Taxpayers should work with their partner STO to codify their donation stipulations.

18. How much of a donor's TDR donation is eligible for a rebate?

Taxpayers receive rebates for the portion of their donation that a School Tuition Organization uses to fund student scholarships at the end of each school year. Rebates do not include the portion of each donation spent on administrative costs.

19. How much of a donor's donation can be used for administrative costs?

Up to 5% of donations for student scholarships may be used for administrative costs. Donors may choose to designate 100% of their donation for administrative costs instead of student scholarships; however, this donation will not be eligible for a rebate.

20. How does a donor receive the rebate?

At the end of each school year, the Louisiana Department of Education will verify the amount of each taxpayer's donation spent on student scholarships and issue a receipt to the taxpayer through the STO. The taxpayer must then submit this receipt and a Louisiana Department of Revenue provided rebate form to the Louisiana Department of Revenue. The Louisiana Department of Revenue will then issue a rebate check to the taxpayer.

21. Can a donor request a refund of a donation?

After one year, a taxpayer can request a refund from a School Tuition Organization for the unused amount of the taxpayer's donation designated for scholarships at the end of the State's fiscal year (June 30).

22. Who should donors contact regarding specific tax liability questions?

Donors with specific questions regarding how their donation and potential rebate impacts their tax liability should consult a tax lawyer or advisor.