

By Senator Jones

40-832-99

1                                   A bill to be entitled  
2           An act relating to the corporate income tax;  
3           creating s. 220.1896, F.S.; providing a tax  
4           credit for certain contributions to nonprofit  
5           scholarship funding organizations and eligible  
6           schools; providing definitions; providing for  
7           the amount of the credit; providing  
8           limitations; providing for application  
9           procedures; providing prohibitions; providing  
10          limitations upon the applicability of the act  
11          to private schools; providing applicability;  
12          providing an effective date.

14 Be It Enacted by the Legislature of the State of Florida:

16           Section 1. Section 220.1896, Florida Statutes, is  
17 created to read:

18           220.1896 Tax credit for certain contributions to  
19 nonprofit scholarship funding organizations and to eligible  
20 schools.--

21           (1) As used in this section, the term:

22           (a) "Eligible school" means a public or private  
23 primary or secondary school that is located in this state,  
24 that offers a general education to primary or secondary  
25 students, and that does not discriminate on the basis of race,  
26 color, handicap, familial status, or national origin.

27           (b) "Nonprofit scholarship funding organization" means  
28 a charitable organization that:

29           1. Is exempt from federal taxation under s. 501(c)(3)  
30 of the Internal Revenue Code of 1986, as amended; and

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1           2. Allocates at least 90 percent of its annual revenue  
2 to providing scholarships for tuition, transportation, and  
3 textbook expenses to children who are enrolled in an eligible  
4 school.

5           (2) There is allowed to a corporation that meets the  
6 eligibility requirements of this section a credit against the  
7 tax imposed by this chapter in the amount of a contribution  
8 that the corporation makes to a nonprofit scholarship funding  
9 organization or to a public school, if:

10           (a) The contribution is used to provide scholarships  
11 for tuition, transportation, or textbook expenses to children  
12 who are enrolled in eligible schools; and

13           (b) The corporation does not designate a specific  
14 child as the beneficiary of the contribution.

15           (3) The total amount of tax credits claimed under this  
16 section during a taxable year may not exceed:

17           (a) Seventy-five percent of the amount of the tax due  
18 under this chapter for the taxable year after all other  
19 applicable tax credits are applied for credits claimed for  
20 contributions to nonprofit scholarship funding organizations;  
21 and

22           (b) Five percent of the amount of the tax due under  
23 this chapter for the taxable year after all other applicable  
24 tax credits are applied for credits claimed for contributions  
25 to eligible schools.

26           (4)(a) In applying for a tax credit under this  
27 section, a corporation must use a form that the department  
28 devises.

29           (b) The department shall prescribe the form and manner  
30 of proof that must be submitted to the department with the  
31 application for tax credit under this section.

1           (5) A corporation may claim a tax credit under this  
2 section for a contribution made during the taxable year only  
3 against the tax owed for that taxable year. A contribution in  
4 an amount that exceeds the limitation set forth in subsection  
5 (3) may not be carried forward or backward and may not be used  
6 to create a business loss carryover.

7           (6) A corporation may not convey, assign, or transfer  
8 the credit authorized by this section to another entity unless  
9 all of the assets of the corporation are conveyed, assigned,  
10 or transferred in the same transaction.

11           (7)(a) This section must not be construed to cause  
12 excessive governmental entanglement with the religious  
13 instruction of a private school.

14           (b) With respect to a private school, this section  
15 does not authorize a governmental agency to regulate, control,  
16 supervise, or in any way be involved in the:

17           1. Form, manner, or content of religious instruction,  
18 ministry, teaching, or curriculum offered by the private  
19 school;

20           2. Ability of the private school to select and  
21 supervise qualified personnel and otherwise control the terms  
22 of employment, including the right to employ individuals who  
23 share the religious views of the school;

24           3. Internal self-governance and autonomy of the  
25 private school; or

26           4. Religious environment of the private school,  
27 including, but not limited to, its use of symbols, art, icons,  
28 and scripture.

29           Section 2. This act shall take effect January 1, 2000,  
30 and applies only to qualifying contributions made by a  
31 corporation after December 30, 1999, and claimed on a tax

1 report due under chapter 220, Florida Statutes, after December  
2 30, 1999.

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5 SENATE SUMMARY

6 Provides a tax credit against the corporate income tax  
7 for certain contributions to nonprofit scholarship  
8 funding organizations and to eligible schools. Provides  
9 definitions. Provides the amount of the credit. Provides  
10 limitations upon the total amount of such tax credits  
11 which may be granted in a taxable year. Provides  
12 application procedures and prohibits carrying the credit  
13 forward or backward. Prohibits transferring the credit to  
14 another entity unless all corporate assets are  
15 transferred in the same transaction. Provides that this  
16 act is not intended to cause governmental involvement in  
17 religious aspects of private schools. Provides that the  
18 act applies to contributions made and reported after  
19 December 30, 1999.  
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