

Amendment No. ____ (for drafter's use only)

	<u>Senate</u>	CHAMBER ACTION	<u>House</u>
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Representative(s) Henriquez offered the following:

Amendment (with title amendment)

On page 9, line 12 of the bill

insert:

Section 10. In order to implement the act making appropriations and reductions in appropriations for the 2001-2002 state fiscal year, section 5 of chapter 2001-225, Laws of Florida, is amended to read:

Section 5. Effective January 1, 2003 ~~2002~~, and applying to tax years beginning on or after that date, section 220.187, Florida Statutes, is created to read:

220.187 Credits for contributions to nonprofit scholarship-funding organizations.--

(1) PURPOSE.--The purpose of this section is to:

(a) Encourage private, voluntary contributions to nonprofit scholarship-funding organizations.

(b) Expand educational opportunities for children of families that have limited financial resources.

(c) Enable children in this state to achieve a greater

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1 level of excellence in their education.

2 (2) DEFINITIONS.--As used in this section, the term:

3 (a) "Department" means the Department of Revenue.

4 (b) "Eligible contribution" means a monetary
5 contribution from a taxpayer, subject to the restrictions
6 provided in this section, to an eligible nonprofit
7 scholarship-funding organization. The taxpayer making the
8 contribution may not designate a specific child as the
9 beneficiary of the contribution. The taxpayer may not
10 contribute more than \$5 million to any single eligible
11 nonprofit scholarship-funding organization.

12 (c) "Eligible nonpublic school" means a nonpublic
13 school located in Florida that offers an education to students
14 in any grades K-12 and that meets the requirements in
15 subsection (5).

16 (d) "Eligible nonprofit scholarship-funding
17 organization" means a charitable organization that is exempt
18 from federal income tax pursuant to s. 501(c)(3) of the
19 Internal Revenue Code and that complies with the provisions of
20 subsection (4).

21 (e) "Qualified student" means a student who qualifies
22 for free or reduced-price school lunches under the National
23 School Lunch Act and who:

24 1. Was counted as a full-time-equivalent student
25 during the previous state fiscal year for purposes of state
26 per-student funding; or

27 2. Received a scholarship from an eligible nonprofit
28 scholarship-funding organization during the previous school
29 year.

30 (3) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX
31 CREDITS; LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.--

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1 (a) There is allowed a credit of 100 percent of an
2 eligible contribution against any tax due for a taxable year
3 under this chapter. However, such a credit may not exceed 75
4 percent of the tax due under this chapter for the taxable
5 year, after the application of any other allowable credits by
6 the taxpayer. However, at least 5 percent of the total
7 statewide amount authorized for the tax credit shall be
8 reserved for taxpayers who meet the definition of a small
9 business provided in s. 288.703(1) at the time of application.
10 The credit granted by this section shall be reduced by the
11 difference between the amount of federal corporate income tax
12 taking into account the credit granted by this section and the
13 amount of federal corporate income tax without application of
14 the credit granted by this section.

15 (b) The total amount of tax credit which may be
16 granted each state fiscal year under this section is \$50
17 million.

18 (c) A taxpayer who files a Florida consolidated return
19 as a member of an affiliated group pursuant to s. 220.131(1)
20 may be allowed the credit on a consolidated return basis;
21 however, the total credit taken by the affiliated group is
22 subject to the limitation established under paragraph (a).

23 (4) OBLIGATIONS OF ELIGIBLE NONPROFIT
24 SCHOLARSHIP-FUNDING ORGANIZATIONS.--

25 (a) An eligible nonprofit scholarship-funding
26 organization shall provide scholarships, from eligible
27 contributions, to qualified students for:

28 1. Tuition or textbook expenses for, or transportation
29 to, an eligible nonpublic school. At least 75 percent of the
30 scholarship funding must be used to pay tuition expenses; or

31 2. Transportation expenses to a Florida public school

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1 that is located outside the district in which the student
2 resides.

3 (b) An eligible nonprofit scholarship-funding
4 organization shall give priority to qualified students who
5 received a scholarship from an eligible nonprofit
6 scholarship-funding organization during the previous school
7 year.

8 (c) The amount of a scholarship provided to any child
9 for any single school year by all eligible nonprofit
10 scholarship-funding organizations from eligible contributions
11 shall not exceed the following annual limits:

12 1. \$3,500 for a scholarship awarded to a student
13 enrolled in an eligible nonpublic school.

14 2. \$500 for a scholarship awarded to a student
15 enrolled in a Florida public school that is located outside
16 the district in which the student resides.

17 (d) The amount of an eligible contribution which may
18 be accepted by an eligible nonprofit scholarship-funding
19 organization is limited to the amount needed to provide
20 scholarships for qualified students which the organization has
21 identified and for which vacancies in eligible nonpublic
22 schools have been identified.

23 (e) An eligible nonprofit scholarship-funding
24 organization that receives an eligible contribution must spend
25 100 percent of the eligible contribution to provide
26 scholarships in the same state fiscal year in which the
27 contribution was received. No portion of eligible
28 contributions may be used for administrative expenses. All
29 interest accrued from contributions must be used for
30 scholarships.

31 (f) An eligible nonprofit scholarship-funding

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1 organization that receives eligible contributions must provide
2 to the Auditor General an annual financial and compliance
3 audit of its accounts and records conducted by an independent
4 certified public accountant and in accordance with rules
5 adopted by the Auditor General.

6 (g) Payment of the scholarship by the eligible
7 nonprofit scholarship-funding organization shall be by
8 individual warrant or check made payable to the student's
9 parent. If the parent chooses for his or her child to attend
10 an eligible nonpublic school, the warrant or check must be
11 mailed by the eligible nonprofit scholarship-funding
12 organization to the nonpublic school of the parent's choice,
13 and the parent shall restrictively endorse the warrant or
14 check to the nonpublic school. An eligible nonprofit
15 scholarship-funding organization shall ensure that, upon
16 receipt of a scholarship warrant or check, the parent to whom
17 the warrant or check is made restrictively endorses the
18 warrant or check to the nonpublic school of the parent's
19 choice for deposit into the account of the nonpublic school.

20 (5) ELIGIBLE NONPUBLIC SCHOOL OBLIGATIONS.--An
21 eligible nonpublic school must:

22 (a) Demonstrate fiscal soundness by being in operation
23 for one school year or provide the Department of Education
24 with a statement by a certified public accountant confirming
25 that the nonpublic school desiring to participate is insured
26 and the owner or owners have sufficient capital or credit to
27 operate the school for the upcoming year serving the number of
28 students anticipated with expected revenues from tuition and
29 other sources that may be reasonably expected. In lieu of such
30 a statement, a surety bond or letter of credit for the amount
31 equal to the scholarship funds for any quarter may be filed

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1 with the department.

2 (b) Comply with the antidiscrimination provisions of
3 42 U.S.C. s. 2000d.

4 (c) Meet state and local health and safety laws and
5 codes.

6 (d) Comply with all state laws relating to general
7 regulation of nonpublic schools.

8 (6) ADMINISTRATION; RULES.--

9 (a) If the credit granted pursuant to this section is
10 not fully used in any one year, the unused amount may not be
11 carried forward. A taxpayer may not convey, assign, or
12 transfer the credit authorized by this section to another
13 entity unless all of the assets of the taxpayer are conveyed,
14 assigned, or transferred in the same transaction.

15 (b) An application for a tax credit pursuant to this
16 section shall be submitted to the department on forms
17 established by rule of the department.

18 (c) The department and the Department of Education
19 shall develop a cooperative agreement to assist in the
20 administration of this section. The Department of Education
21 shall be responsible for annually submitting, by March 15, to
22 the department a list of eligible nonprofit
23 scholarship-funding organizations that meet the requirements
24 of paragraph (2)(d) and for monitoring eligibility of
25 nonprofit scholarship-funding organizations that meet the
26 requirements of paragraph (2)(d), eligibility of nonpublic
27 schools that meet the requirements of paragraph (2)(c), and
28 eligibility of expenditures under this section as provided in
29 subsection (4).

30 (d) The department shall adopt rules necessary to
31 administer this section, including rules establishing

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1 application forms and procedures and governing the allocation
2 of tax credits under this section on a first-come,
3 first-served basis.

4 (e) The Department of Education shall adopt rules
5 necessary to determine eligibility of nonprofit
6 scholarship-funding organizations as defined in paragraph
7 (2)(d) and according to the provisions of subsection (4) and
8 identify qualified students as defined in paragraph (2)(e).

9 (7) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.--All eligible
10 contributions received by an eligible nonprofit
11 scholarship-funding organization shall be deposited in a
12 manner consistent with s. 18.10(2).

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15 ===== T I T L E A M E N D M E N T =====

16 And the title is amended as follows:

17 On page 2, line 7, after the semicolon

18
19 insert:

20 amending s. 5 of ch. 2001-225, Laws of Florida;
21 delaying the creation of s. 220.187, F.S. ;
22 relating to a credit against the tax for
23 contributions to a nonprofit
24 scholarship-funding organization;

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