

By the Committee on Military and Veterans' Affairs, Base Protection, and Spaceports; and Senators Fasano and Lynn

301-2074-03

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A bill to be entitled
An act relating to scholarships for dependent children of veterans and military personnel; creating s. 220.1875, F.S.; establishing a program for contributions to nonprofit scholarship-funding organizations to be used for dependent children of veterans and military personnel; providing for tax credits that may be granted each fiscal year for such contributions; providing requirements and limitations; providing an effective date.

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

Section 1. Section 220.1875, Florida Statutes, is created to read:

220.1875 Credits for contributions to nonprofit scholarship-funding organizations; scholarships for dependent children of United States Armed Forces veterans, active duty and reserve personnel in the United States military, or members of the Florida National Guard.--

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

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

(b) Expand educational opportunities for dependent children of United States Armed Forces veterans, active duty and reserve personnel in the United States military, or members of the Florida National Guard.

(c) Enable children in this state to achieve a greater level of excellence in their education.

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

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

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

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

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

19 (e) "Qualified student" means a dependent child of a
20 United States Armed Forces veteran, a dependent child of
21 active duty or reserve personnel in the United States
22 military, a dependent child of a member of the Florida
23 National Guard, or any qualified student, pursuant to s.
24 220.187, as further provided in paragraph (4)(d).

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

27 (a) There is allowed a credit of 100 percent of an
28 eligible contribution against any tax due for a taxable year
29 under this chapter. However, such a credit may not exceed 75
30 percent of the tax due under this chapter for the taxable
31 year, after the application of any other allowable credits by

1 the taxpayer. The credit granted by this section shall be
2 reduced by the difference between the amount of federal
3 corporate income tax taking into account the credit granted by
4 this section and the amount of federal corporate income tax
5 without application of the credit granted by this section.

6 (b) The total amount of tax credit which may be
7 granted each state fiscal year under this section is \$10
8 million.

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

14 (4) OBLIGATIONS OF ELIGIBLE NONPROFIT
15 SCHOLARSHIP-FUNDING ORGANIZATIONS.--

16 (a) An eligible nonprofit scholarship-funding
17 organization shall provide scholarships, from eligible
18 contributions, to qualified students for:

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

22 2. Transportation expenses to a Florida public school
23 that is located outside the district in which the student
24 resides.

25 (b) An eligible nonprofit scholarship-funding
26 organization shall give priority to qualified students who
27 received a scholarship from an eligible nonprofit
28 scholarship-funding organization during the previous school
29 year.

30 (c) The amount of a scholarship provided to any child
31 for any single school year by all eligible nonprofit

1 scholarship-funding organizations from eligible contributions
2 shall not exceed the following annual limits:

3 1. Three thousand five hundred dollars for a
4 scholarship awarded to a student enrolled in an eligible
5 nonpublic school.

6 2. Five hundred dollars for a scholarship awarded to a
7 student enrolled in a Florida public school that is located
8 outside the district in which the student resides.

9 (d) An eligible nonprofit scholarship-funding
10 organization that receives an eligible contribution must spend
11 100 percent of the eligible contribution to provide
12 scholarships in the same state fiscal year in which the
13 contribution was received. An eligible nonprofit
14 scholarship-funding organization may use eligible
15 contributions to provide scholarships to qualified students,
16 pursuant to s. 220.187, after it has served qualified
17 dependent children of United States Armed Forces veterans,
18 dependent children of active duty or reserve personnel in the
19 United States military, and dependent children of members of
20 the Florida National Guard. No portion of eligible
21 contributions may be used for administrative expenses. All
22 interest accrued from contributions must be used for
23 scholarships.

24 (e) An eligible nonprofit scholarship-funding
25 organization that receives eligible contributions must provide
26 to the Auditor General an annual financial and compliance
27 audit of its accounts and records conducted by an independent
28 certified public accountant and in accordance with rules
29 adopted by the Auditor General.

30 (f) Payment of the scholarship by the eligible
31 nonprofit scholarship-funding organization shall be by

1 individual warrant or check made payable to the student's
2 parent. If the parent chooses for his or her child to attend
3 an eligible nonpublic school, the warrant or check must be
4 mailed by the eligible nonprofit scholarship-funding
5 organization to the nonpublic school of the parent's choice,
6 and the parent shall restrictively endorse the warrant or
7 check to the nonpublic school. An eligible nonprofit
8 scholarship-funding organization shall ensure that, upon
9 receipt of a scholarship warrant or check, the parent to whom
10 the warrant or check is made restrictively endorses the
11 warrant or check to the nonpublic school of the parent's
12 choice for deposit into the account of the nonpublic school.
13 The names of the students who receive scholarships pursuant to
14 this section shall be made available to school districts.

15 (5) ELIGIBLE NONPUBLIC SCHOOL OBLIGATIONS.--An
16 eligible nonpublic school must:

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

28 (b) Comply with the antidiscrimination provisions of
29 42 U.S.C. s. 2000d.

30 (c) Meet state and local health and safety laws and
31 codes.

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

3 (6) ADMINISTRATION; RULES.--

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

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

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

25 (d) The department shall adopt rules necessary to
26 administer this section, including rules establishing
27 application forms and procedures and governing the allocation
28 of tax credits under this section on a first-come,
29 first-served basis.

30 (e) The Department of Education shall adopt rules
31 necessary to determine eligibility of nonprofit

1 scholarship-funding organizations as defined in paragraph
2 (2)(d) and according to the provisions of subsection (4) and
3 identify qualified students as defined in paragraph (2)(e).
4 (7) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.--All eligible
5 contributions received by an eligible nonprofit
6 scholarship-funding organization shall be deposited in a
7 manner consistent with s. 18.10(2).

8 Section 2. This act shall take effect upon becoming a
9 law.

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11 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
12 COMMITTEE SUBSTITUTE FOR
13 Senate Bill 1100

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15 The original bill expresses legislative intent to provide
16 support for military bases. The committee substitute
17 establishes a corporate income tax credit scholarship program
18 for dependents of U. S. Armed Forces veterans, active duty and
19 reserve personnel, and members of the Florida National Guard.

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