



HB 0805

2003

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

A bill to be entitled
 An act relating to scholarship eligibility for dependent children of veterans and military personnel; amending s. 220.187, F.S.; making eligible the dependent children of veterans, active duty military personnel, and members of the Florida National Guard for certain scholarships; providing tax credits to corporations funding such scholarships subject to certain limitations; providing an effective date.

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

Section 1. Section 220.187, Florida Statutes, is amended 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 level of excellence in their education.

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

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

(b) "Eligible contribution" means a monetary contribution from a taxpayer, subject to the restrictions provided in this section, to an eligible nonprofit scholarship-funding organization. The taxpayer making the contribution may not designate a specific child as the beneficiary of the



HB 0805

2003

31 contribution. The taxpayer may not contribute more than \$5
32 million to any single eligible nonprofit scholarship-funding
33 organization.

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

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

41 (e) "Qualified student" means a dependent child of a
42 United States Armed Forces veteran, a dependent child of active
43 duty personnel in the United States military, a dependent child
44 of a member of the Florida National Guard, or a student who
45 qualifies for free or reduced-price school lunches under the
46 National School Lunch Act and who:

47 1. Was counted as a full-time equivalent student during
48 the previous state fiscal year for purposes of state per-student
49 funding;

50 2. Received a scholarship from an eligible nonprofit
51 scholarship-funding organization during the previous school
52 year; or

53 3. Is eligible to enter kindergarten or first grade.

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

56 (a) There is allowed a credit of 100 percent of an
57 eligible contribution against any tax due for a taxable year
58 under this chapter. However, such a credit may not exceed 75
59 percent of the tax due under this chapter for the taxable year,
60 after the application of any other allowable credits by the



HB 0805

2003

61 taxpayer. However, at least 5 percent of the total statewide
62 amount authorized for the tax credit shall be reserved for
63 taxpayers who meet the definition of a small business provided
64 in s. 288.703(1) at the time of application. The credit granted
65 by this section shall be reduced by the difference between the
66 amount of federal corporate income tax taking into account the
67 credit granted by this section and the amount of federal
68 corporate income tax without application of the credit granted
69 by this section.

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

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

77 (4) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
78 ORGANIZATIONS.--

79 (a) An eligible nonprofit scholarship-funding organization
80 shall provide scholarships, from eligible contributions, to
81 qualified students for:

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

85 2. Transportation expenses to a Florida public school that
86 is located outside the district in which the student resides.

87 (b) An eligible nonprofit scholarship-funding organization
88 shall give priority to qualified students who received a
89 scholarship from an eligible nonprofit scholarship-funding
90 organization during the previous school year.



HB 0805

2003

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

95 1. Three thousand five hundred dollars for a scholarship
96 awarded to a student enrolled in an eligible nonpublic school.

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

100 (d) The amount of an eligible contribution which may be
101 accepted by an eligible nonprofit scholarship-funding
102 organization is limited to the amount needed to provide
103 scholarships for qualified students which the organization has
104 identified and for which vacancies in eligible nonpublic schools
105 have been identified.

106 (e) An eligible nonprofit scholarship-funding organization
107 that receives an eligible contribution must spend 100 percent of
108 the eligible contribution to provide scholarships in the same
109 state fiscal year in which the contribution was received. No
110 portion of eligible contributions may be used for administrative
111 expenses. All interest accrued from contributions must be used
112 for scholarships.

113 (f) An eligible nonprofit scholarship-funding organization
114 that receives eligible contributions must provide to the Auditor
115 General an annual financial and compliance audit of its accounts
116 and records conducted by an independent certified public
117 accountant and in accordance with rules adopted by the Auditor
118 General.

119 (g) Payment of the scholarship by the eligible nonprofit
120 scholarship-funding organization shall be by individual warrant



HB 0805

2003

121 or check made payable to the student's parent. If the parent
122 chooses for his or her child to attend an eligible nonpublic
123 school, the warrant or check must be mailed by the eligible
124 nonprofit scholarship-funding organization to the nonpublic
125 school of the parent's choice, and the parent shall
126 restrictively endorse the warrant or check to the nonpublic
127 school. An eligible nonprofit scholarship-funding organization
128 shall ensure that, upon receipt of a scholarship warrant or
129 check, the parent to whom the warrant or check is made
130 restrictively endorses the warrant or check to the nonpublic
131 school of the parent's choice for deposit into the account of
132 the nonpublic school.

133 (5) ELIGIBLE NONPUBLIC SCHOOL OBLIGATIONS.--An eligible
134 nonpublic school must:

135 (a) Demonstrate fiscal soundness by being in operation for
136 one school year or provide the Department of Education with a
137 statement by a certified public accountant confirming that the
138 nonpublic school desiring to participate is insured and the
139 owner or owners have sufficient capital or credit to operate the
140 school for the upcoming year serving the number of students
141 anticipated with expected revenues from tuition and other
142 sources that may be reasonably expected. In lieu of such a
143 statement, a surety bond or letter of credit for the amount
144 equal to the scholarship funds for any quarter may be filed with
145 the department.

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

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

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



HB 0805

2003

151 (6) ADMINISTRATION; RULES.--

152 (a) If the credit granted pursuant to this section is not
153 fully used in any one year, the unused amount may not be carried
154 forward. A taxpayer may not convey, assign, or transfer the
155 credit authorized by this section to another entity unless all
156 of the assets of the taxpayer are conveyed, assigned, or
157 transferred in the same transaction.

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

161 (c) The department and the Department of Education shall
162 develop a cooperative agreement to assist in the administration
163 of this section. The Department of Education shall be
164 responsible for annually submitting, by March 15, to the
165 department a list of eligible nonprofit scholarship-funding
166 organizations that meet the requirements of paragraph (2)(d) and
167 for monitoring eligibility of nonprofit scholarship-funding
168 organizations that meet the requirements of paragraph (2)(d),
169 eligibility of nonpublic schools that meet the requirements of
170 paragraph (2)(c), and eligibility of expenditures under this
171 section as provided in subsection (4).

172 (d) The department shall adopt rules necessary to
173 administer this section, including rules establishing
174 application forms and procedures and governing the allocation of
175 tax credits under this section on a first-come, first-served
176 basis.

177 (e) The Department of Education shall adopt rules
178 necessary to determine eligibility of nonprofit scholarship-
179 funding organizations as defined in paragraph (2)(d) and



HB 0805

2003

180 according to the provisions of subsection (4) and identify
181 qualified students as defined in paragraph (2)(e).

182 (7) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.--All eligible
183 contributions received by an eligible nonprofit scholarship-
184 funding organization shall be deposited in a manner consistent
185 with s. 18.10(2).

186 Section 2. This act shall take effect July 1, 2003.