



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

10  
 11 Be It Enacted by the Legislature of the State of Florida:

12  
 13           Section 1. Section 220.1875, Florida Statutes, is created  
 14 to read:

15           220.1875 Credits for contributions to nonprofit  
 16 scholarship-funding organizations; scholarships for dependent  
 17 children of United States Armed Forces veterans, active duty and  
 18 reserve personnel in the United States military, or members of  
 19 the Florida National Guard.--

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

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

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

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



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

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

31        (b) "Eligible contribution" means a monetary contribution  
32 from a taxpayer, subject to the restrictions provided in this  
33 section, to an eligible nonprofit scholarship-funding  
34 organization. The taxpayer making the contribution may not  
35 designate a specific child as the beneficiary of the  
36 contribution. The taxpayer may not contribute more than \$5  
37 million to any single eligible nonprofit scholarship-funding  
38 organization.

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

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

46        (e) "Qualified student" means a dependent child of a  
47 United States Armed Forces veteran, a dependent child of active  
48 duty or reserve personnel in the United States military, a  
49 dependent child of a member of the Florida National Guard, or  
50 any qualified student, pursuant to s. 220.187, as further  
51 provided in paragraph (4)(d).

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

54        (a) There is allowed a credit of 100 percent of an  
55 eligible contribution against any tax due for a taxable year  
56 under this chapter. However, such a credit may not exceed 75



57 percent of the tax due under this chapter for the taxable year,  
58 after the application of any other allowable credits by the  
59 taxpayer. The credit granted by this section shall be reduced  
60 by the difference between the amount of federal corporate income  
61 tax taking into account the credit granted by this section and  
62 the amount of federal corporate income tax without application  
63 of the credit granted by this section.

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

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

71 (4) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING  
72 ORGANIZATIONS.--

73 (a) An eligible nonprofit scholarship-funding organization  
74 shall provide scholarships, from eligible contributions, to  
75 qualified students for:

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

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

81 (b) An eligible nonprofit scholarship-funding organization  
82 shall give priority to qualified students who received a  
83 scholarship from an eligible nonprofit scholarship-funding  
84 organization during the previous school year.



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

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

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

94        (d) An eligible nonprofit scholarship-funding organization  
95 that receives an eligible contribution must spend 100 percent of  
96 the eligible contribution to provide scholarships in the same  
97 state fiscal year in which the contribution was received. An  
98 eligible nonprofit scholarship-funding organization may use  
99 eligible contributions to provide scholarships to qualified  
100 students, pursuant to s. 220.187, after it has served qualified  
101 dependent children of United States Armed Forces veterans,  
102 dependent children of active duty or reserve personnel in the  
103 United States military, and dependent children of members of the  
104 Florida National Guard. No portion of eligible contributions may  
105 be used for administrative expenses. All interest accrued from  
106 contributions must be used for scholarships.

107        (e) An eligible nonprofit scholarship-funding organization  
108 that receives eligible contributions must provide to the Auditor  
109 General an annual financial and compliance audit of its accounts  
110 and records conducted by an independent certified public  
111 accountant and in accordance with rules adopted by the Auditor  
112 General.



113        (f) Payment of the scholarship by the eligible nonprofit  
114 scholarship-funding organization shall be by individual warrant  
115 or check made payable to the student's parent. If the parent  
116 chooses for his or her child to attend an eligible nonpublic  
117 school, the warrant or check must be mailed by the eligible  
118 nonprofit scholarship-funding organization to the nonpublic  
119 school of the parent's choice, and the parent shall  
120 restrictively endorse the warrant or check to the nonpublic  
121 school. An eligible nonprofit scholarship-funding organization  
122 shall ensure that, upon receipt of a scholarship warrant or  
123 check, the parent to whom the warrant or check is made  
124 restrictively endorses the warrant or check to the nonpublic  
125 school of the parent's choice for deposit into the account of  
126 the nonpublic school.

127        (5) ELIGIBLE NONPUBLIC SCHOOL OBLIGATIONS.--An eligible  
128 nonpublic school must:

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



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

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

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

145 (6) ADMINISTRATION; RULES.--

146 (a) If the credit granted pursuant to this section is not  
147 fully used in any one year, the unused amount may not be carried  
148 forward. A taxpayer may not convey, assign, or transfer the  
149 credit authorized by this section to another entity unless all  
150 of the assets of the taxpayer are conveyed, assigned, or  
151 transferred in the same transaction.

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

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

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



168 application forms and procedures and governing the allocation of  
169 tax credits under this section on a first-come, first-served  
170 basis.

171 (e) The Department of Education shall adopt rules  
172 necessary to determine eligibility of nonprofit scholarship-  
173 funding organizations as defined in paragraph (2)(d) and  
174 according to the provisions of subsection (4) and identify  
175 qualified students as defined in paragraph (2)(e).

176 (7) DEPOSITS OF ELIGIBLE CONTRIBUTIONS.--All eligible  
177 contributions received by an eligible nonprofit scholarship-  
178 funding organization shall be deposited in a manner consistent  
179 with s. 18.10(2).

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

181