

1 A bill to be entitled
2 An act relating to the Corporate Income Tax Credit
3 Scholarship Program; amending s. 220.187, F.S.; providing
4 legislative findings; revising program purposes; providing
5 that siblings of certain students are eligible for
6 participation in the program; revising provisions
7 authorizing the total amount of tax credits that may be
8 granted and deleting the reservation of a portion thereof;
9 revising authorized uses of scholarship funds; revising
10 provisions relating to expenditure of contributions
11 received by a scholarship-funding organization during a
12 state fiscal year; authorizing expenditure of
13 contributions for administrative expenses; correcting a
14 cross-reference; revising scholarship amounts and
15 providing for adjustments in future scholarship amounts;
16 revising requirements relating to verification of student
17 attendance for purposes of scholarship payment; providing
18 for preservation of credits under certain circumstances;
19 providing an effective date.

20
21 Be It Enacted by the Legislature of the State of Florida:

22
23 Section 1. Subsections (1) and (3), paragraph (b) of
24 subsection (5), paragraphs (d) and (i) of subsection (6),
25 paragraph (c) of subsection (8), and paragraphs (a) and (c) of
26 subsection (11) of section 220.187, Florida Statutes, are
27 amended, and a new subsection (14) is added to that section, to
28 read:

29 220.187 Credits for contributions to nonprofit
30 scholarship-funding organizations.--

31 (1) FINDINGS AND PURPOSE.--

32 (a) The Legislature finds that:

33 1. It has the inherent power to determine subjects of
34 taxation for general or particular public purposes.

35 2. Expanding educational opportunities and improving the
36 quality of educational services within the state are valid
37 public purposes that the Legislature may promote using its
38 sovereign power to determine subjects of taxation and exemptions
39 from taxation.

40 3. Ensuring that all parents, regardless of means, may
41 exercise and enjoy their basic right to educate their children
42 as they see fit is a valid public purpose that the Legislature
43 may promote using its sovereign power to determine subjects of
44 taxation and exemptions from taxation.

45 4. Expanded educational opportunities and the healthy
46 competition they promote are critical to improving the quality
47 of education in the state and to ensuring that all children
48 receive the high-quality education to which they are entitled.

49 (b) The purpose of this section is to:

50 1.-(a) Enable taxpayers to make ~~Encourage~~ private,
51 voluntary contributions to nonprofit scholarship-funding
52 organizations in order to promote the general welfare.

53 2. Provide taxpayers who wish to help parents with limited
54 resources exercise their basic right to educate their children
55 as they see fit with a means to do so.

56 3.-(b) Promote the general welfare by expanding ~~Expand~~

57 | educational opportunities for children of families that have
58 | limited financial resources.

59 | ~~4.(e)~~ Enable children in this state to achieve a greater
60 | level of excellence in their education.

61 | 5. Improve the quality of education in this state, both by
62 | expanding educational opportunities for children and by creating
63 | incentives for schools to achieve excellence.

64 | (3) PROGRAM; SCHOLARSHIP ELIGIBILITY.--The Corporate
65 | Income Tax Credit Scholarship Program is established. A student
66 | is eligible for a corporate income tax credit scholarship if the
67 | student qualifies for free or reduced-price school lunches under
68 | the National School Lunch Act and:

69 | (a) Was counted as a full-time equivalent student during
70 | the previous state fiscal year for purposes of state per-student
71 | funding;

72 | (b) Received a scholarship from an eligible nonprofit
73 | scholarship-funding organization or from the State of Florida
74 | during the previous school year; or

75 | (c) Is eligible to enter kindergarten or first grade.

76 |

77 | Contingent upon available funds, a student may continue in the
78 | scholarship program as long as the student's household family
79 | income level does not exceed 200 percent of the federal poverty
80 | level. A sibling of a student who is continuing in the program
81 | and resides in the same household as the student shall also be
82 | eligible as a first-time corporate income tax credit scholarship
83 | recipient as long as the student's and sibling's household
84 | income level does not exceed 200 percent of the federal poverty

85 level.

86 (5) AUTHORIZATION TO GRANT SCHOLARSHIP FUNDING TAX
87 CREDITS; LIMITATIONS ON INDIVIDUAL AND TOTAL CREDITS.--

88 (b) The total amount of tax credits and carryforward of
89 tax credits which may be granted each state fiscal year under
90 this section is:

- 91 1. Through June 30, 2008, \$88 million.
- 92 2. Through June 30, 2009, \$118 million.
- 93 3. Through June 30, 2010, \$148 million.
- 94 4. Through June 30, 2011, \$178 million.
- 95 5. Through June 30, 2012, \$208 million.
- 96 6. Beginning July 1, 2012, and thereafter, \$238 million.

97 ~~At least 1 percent of the total statewide amount authorized for~~
98 ~~the tax credit shall be reserved for taxpayers who meet the~~
99 ~~definition of a small business provided in s. 288.703(1) at the~~
100 ~~time of application.~~

101 (6) OBLIGATIONS OF ELIGIBLE NONPROFIT SCHOLARSHIP-FUNDING
102 ORGANIZATIONS.--An eligible nonprofit scholarship-funding
103 organization:

104 (d) Must provide scholarships, from eligible
105 contributions, to eligible students for the cost of:

106 1. Tuition and fees ~~or textbook expenses for, or~~
107 ~~transportation to,~~ an eligible private school. ~~At least 75~~
108 ~~percent of the scholarship funding must be used to pay tuition~~
109 ~~expenses; or~~

110 2. ~~Transportation expenses~~ to a Florida public school that
111 is located outside the district in which the student resides or
112 to a lab school as defined in s. 1002.32.

113 (i) May use up to 3 percent of eligible contributions
 114 received during the state fiscal year in which such
 115 contributions are collected for administrative expenses that are
 116 incurred by the organization under this section. The
 117 scholarship-funding organization must expend for annual or
 118 partial-year scholarships an amount equal to or greater than 75
 119 percent of the net eligible contributions remaining after
 120 administrative expenses during the state fiscal year in which
 121 such contributions are collected. No more than 25 percent of
 122 such net eligible contributions may be carried forward to the
 123 following state fiscal year. Any amounts carried forward shall
 124 be expended for ~~Must obligate, in the same fiscal year in which~~
 125 ~~the contribution was received, 100 percent of the eligible~~
 126 ~~contribution to provide annual or partial-year scholarships,~~
 127 ~~however, up to 25 percent of the total contribution may be~~
 128 ~~carried forward for expenditure~~ in the following state fiscal
 129 year. A scholarship-funding organization must, before granting a
 130 scholarship for an academic year, document each scholarship
 131 student's eligibility for that academic year. A scholarship-
 132 funding organization may not grant multiyear scholarships in one
 133 approval process. ~~No portion of eligible contributions may be~~
 134 ~~used for administrative expenses.~~ All interest accrued from
 135 contributions must be used for scholarships.

136
 137 Any and all information and documentation provided to the
 138 Department of Education and the Auditor General relating to the
 139 identity of a taxpayer that provides an eligible contribution
 140 under this section shall remain confidential at all times in

141 accordance with s. 213.053.

142 (8) PRIVATE SCHOOL ELIGIBILITY AND OBLIGATIONS.--An
 143 eligible private school may be sectarian or nonsectarian and
 144 must:

145 (c) Be academically accountable to the parent for meeting
 146 the educational needs of the student by:

147 1. At a minimum, annually providing to the parent a
 148 written explanation of the student's progress.

149 2. Annually administering or making provision for students
 150 participating in the scholarship program to take one of the
 151 nationally norm-referenced tests identified by the Department of
 152 Education. Students with disabilities for whom standardized
 153 testing is not appropriate are exempt from this requirement. A
 154 participating private school must report a student's scores to
 155 the parent and to the independent research organization selected
 156 by the Department of Education as described in paragraph (9)(j).

157 3. Cooperating with the scholarship student whose parent
 158 chooses to have the student participate in the statewide
 159 assessments pursuant to s. 1008.22 ~~1008.32~~.

160
 161 The inability of a private school to meet the requirements of
 162 this subsection shall constitute a basis for the ineligibility
 163 of the private school to participate in the scholarship program
 164 as determined by the Department of Education.

165 (11) SCHOLARSHIP AMOUNT AND PAYMENT.--

166 (a) The amount of a scholarship provided to any student
 167 for any single school year by an eligible nonprofit scholarship-
 168 funding organization from eligible contributions shall be for

169 total costs authorized under paragraph (6) (d), not to exceed the
 170 following annual limits:

171 1. ~~Three thousand seven hundred fifty dollars~~ For a
 172 scholarship awarded to a student enrolled in an eligible private
 173 school:

174 a. Three thousand nine hundred fifty dollars during the
 175 2008-2009 state fiscal year.

176 b. Sixty percent of the statewide average total funds per
 177 unweighted full-time equivalent funding amount as determined in
 178 the Florida Education Finance Program calculation that is
 179 incorporated by reference in the General Appropriations Act, or
 180 any subsequent special appropriations act, for the 2009-2010
 181 state fiscal year and each state fiscal year thereafter.

182 2. Five hundred dollars for a scholarship awarded to a
 183 student enrolled in a Florida public school that is located
 184 outside the district in which the student resides or in a lab
 185 school as defined in s. 1002.32.

186 (c) An eligible nonprofit scholarship-funding organization
 187 shall obtain verification from the private school of a student's
 188 continued attendance at the school for ~~prior to~~ each period
 189 covered by a scholarship payment.

190 (14) PRESERVATION OF CREDIT.--If any provision or portion
 191 of subsection (5) or the application thereof to any person or
 192 circumstance is held unconstitutional by any court or is
 193 otherwise declared invalid, the unconstitutionality or
 194 invalidity shall not affect any credit earned under subsection
 195 (5) by any taxpayer with respect to any contribution paid to an
 196 eligible nonprofit scholarship-funding organization before the

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197 date of a determination of unconstitutionality or invalidity.
198 Such credit shall be allowed at such time and in such a manner
199 as if a determination of unconstitutionality or invalidity had
200 not been made, provided that nothing in this subsection by
201 itself or in combination with any other provision of law shall
202 result in the allowance of any credit to any taxpayer in excess
203 of one dollar of credit for each dollar paid to an eligible
204 nonprofit scholarship-funding organization.

205 Section 2. This act shall take effect June 30, 2008.