

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** SB589

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** Obenshain

**3. Committee:** Finance

**4. Title:** Education improvement scholarship tax credit program; disbursement of donations.

**5. Summary:** Extends from one year to three years the time during which a scholarship foundation must disburse, for qualified educational expenses, donations it receives for which education improvement scholarship tax credits were issued.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See Item 8.

**8. Fiscal Implications:** The provisions of this bill would require the Department of Education (DOE) to track the disbursement of donations over a four year period (the year of the donation plus three years afterwards). The additional time required to analyze reports to ensure compliance can be absorbed by existing DOE staff. The longer disbursement period could slow the annual issuance of scholarships to students currently enrolled in the public schools and counted in average daily membership for state funding, thus reducing the offsetting savings relative to the annual value of the state credits issued under the program; any such reduction to savings is indeterminate. DOE notes that penalties currently are in place for noncompliance with the disbursement period, yet no scholarship foundation has failed to comply with the current disbursement period.

The Department of Taxation considers implementation of this bill as routine and does not anticipate a fiscal impact to the agency. This bill would have no impact on general fund revenues because it would change neither the annual credit cap nor the credit eligibility requirements that apply to taxpayers claiming the credit.

**9. Specific Agency or Political Subdivisions Affected:** Department of Education, Department of Taxation.

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.