

## Department of Planning and Budget 2016 Fiscal Impact Statement

**1. Bill Number:** SB589

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

**2. Patron:** Obenshain

**3. Committee:** Finance

**4. Title:** Education improvement scholarship tax credit program; reporting and other requirements.

**5. Summary:** Modifies the tax credit by (i) making the current required report of donations qualifying for the credit and scholarships awarded from such donations as of June 30 of the prior calendar year and scholarships awarded from such donations during the 24-month period ending on June 30 of the current calendar year, (ii) increasing from 20 to 40 the number of days by which a scholarship foundation is required to return a preauthorization notice to the Department of Education to certify that a donor has completed his donation to the foundation, (iii) increasing from 14 to 21 the number of days by which a scholarship foundation must convert a donation of marketable securities into cash, (iv) lowering the penalty for failure to disburse 90 percent of tax credit-derived donations within the applicable twelve month period from 200 percent to 100 percent of the difference between 90 percent of the donations and the actual amount disbursed, and (iv) making clarifying and technical amendments.

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

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

**8. Fiscal Implications:** This bill would eliminate duplicative and unnecessary reporting associated with the education improvement scholarships tax credit program by aligning reporting periods and eliminating a requirement from the scholarship foundations' annual financial reports. This bill would simplify the Department of Education's administration of the tax credit program and is not anticipated to have a state fiscal impact.

The Department of Taxation does not anticipate any impact on general fund revenues because this bill 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:** This bill is identical to HB1017.