

HB 1479 -- Education Charity Tax Credit Scholarships

Sponsor: Cunningham (86)

This bill establishes the Angell Scholarship Program and authorizes an individual and business tax credit for tax years beginning January 1, 2006, for contributions to certified nonprofit educational charitable organizations. These charitable organizations will distribute the funds for expanded educational opportunities to income eligible students residing in the St. Louis or Kansas City school districts, provisional or unaccredited school districts, or students in other districts who meet specified criteria. These opportunities include grants to public schools, programs to help dropouts to pursue a general education development (GED) or work program, tutorial assistance for public school students, and tuition and other educational expense assistance for students to transfer to a public school for participation in a voluntary desegregation transfer plan or to a nonpublic school. The scholarships will be awarded on a needs basis. Contributions for the educational expenses of the taxpayer's dependent do not qualify for the credit.

The amount of the credit cannot exceed the tax liability of the taxpayer, but it can be carried forward for up to four years. The amount of the tax credit is equal to 85% of the contribution, and the aggregate credit is capped at \$40 million with an annual adjustment for inflation. The Director of the Department of Economic Development is authorized to oversee and administer the credit, establish rules, and certify participating organizations.

Administrative costs for the certified nonprofit educational assistance organizations are provided through qualified contributions on a tiered schedule.

School districts not explicitly made eligible may opt into this program by a vote of the local school board. The weighted average daily attendance count must be adjusted if a pupil no longer is enrolled or transfers to another school because of the receipt of a scholarship.

The provisions of the bill will expire six years from the effective date.

The bill contains an emergency clause.