

HB 1104 -- INCOME TAX CREDIT FOR SPECIAL NEEDS EDUCATION SUPPORT ORGANIZATIONS

SPONSOR: Hughes

COMMITTEE ACTION: Voted "do pass" by the Special Committee on Student Achievement by a vote of 6 to 0.

Beginning January 1, 2008, this bill authorizes an income tax credit equal to 50% of the amount of a contribution to a nonprofit special needs education support organization. The contribution must be at least \$100, and the maximum amount of the tax credit will be \$50,000 per taxpayer annually. The cumulative amount of tax credits cannot exceed \$2 million. The Department of Elementary and Secondary Education will determine which organizations may be classified as eligible organizations for this credit. The tax credit may be taken against individual and corporate income tax, corporate franchise tax, financial institution tax, and express company tax liability. The tax credit is not refundable, but can be carried forward and claimed for up to four taxable years.

The provisions of the bill will expire on December 31 six years from the effective date.

FISCAL NOTE: Estimated Cost on General Revenue Fund of \$57,971 in FY 2008, \$102,147 to \$2,102,147 in FY 2009, and \$105,211 to \$2,105,211 in FY 2010. Estimated Income on Other State Funds of \$0 in FY 2008, FY 2009, and FY 2010.

PROPOSERS: Supporters say that because of changes in the federal special education law, special education is no longer an entitlement at private schools, and public schools can limit the locations where they will give services. Usually a school district will take over special education when a child turns three years old, even if the child is doing well in another setting. The scholarships will provide options for these children.

Testifying for the bill were Representative Hughes; and Missouri Catholic Conference.

OPPOSERS: There was no opposition voiced to the committee.