

HB 2188 -- SHOW ME OPPORTUNITY SCHOLARSHIP PROGRAM

SPONSOR: Matthiesen

This bill establishes the "Show Me Opportunity Scholarship Program" to help ensure the education of students in Missouri.

Beginning January 1, 2019, this bill authorizes a tax credit for 100% of the amount of a qualifying contribution to a qualified nonprofit that is certified by the State Treasurer and allocates all of its annual revenue derived from contributions to qualified students. The tax credit is nonrefundable and nontransferable, but can be carried forward for one year. The tax credit cannot exceed \$10,000 per individual taxpayer or \$100,000 per taxpayer entity, and the annual cumulative amount of tax credits is limited at \$50 million, annually. Tax credits will be issued on a first-come, first-served basis.

The State Treasurer must evaluate and certify all nonprofits, publish a list of all qualified nonprofits, create a standardized form to report contributions, issue tax credit certificates, and have an independent CPA conduct a financial audit of any qualified nonprofit if it possesses evidence of fraud. In addition, the State Treasurer may ban a nonprofit from participating if it has failed to comply with program requirements.

A qualified nonprofit must meet certain requirements, including notifying the State Treasurer of its intent to provide scholarship accounts; being a 501(c)(3) organization; providing a receipt to taxpayers for contributions; ensuring that funds are used as specified in the bill; distributing scholarship payments four times per year or in one lump sum as specified, in an amount not to exceed the state adequacy target; providing the State Treasurer, upon request, with criminal background checks on all employees and board members; and demonstrating financial accountability and viability, as described in the bill.

Each qualified nonprofit must publicly report to the State Treasurer, by June 1 each year, the name and address of the organization, the name and address of each student who received contribution funds, the total number and dollar amount of contributions received during the previous calendar year, the total number and dollar amount given to qualified students. An educational organization can contract with private financial management firms with the supervision of the state.

A qualified student is eligible to receive a scholarship up to \$8,000 annually if he or she is identified as having a disability, or proportion based on his or her family's income, as specified in

the bill.