

HB 1589 -- TAX CREDIT FOR DONATIONS TO FOSTER CHILD EDUCATION FUND

SPONSOR: Koenig

Beginning January 1, 2017, this bill authorizes a tax credit equal to 65% of a taxpayer's cash donations to the newly created, Foster Child Education Fund, to be used solely for providing scholarships to eligible recipients to attend a private elementary or secondary school in this state. For the donation to qualify for this credit, it must be at least \$100 and not more than \$50,000. The credit is limited to 50% of the taxpayer's state tax liability for the taxable year the credit is claimed, cannot exceed \$25,000 per taxpayer, per taxable year, and is capped at \$5 million per fiscal year and issued but not redeemed credit at \$15 million per fiscal year. The credit cannot be refunded, or sold, but can be carried forward for three years.

An eligible recipient is a school-aged child enrolled in grades K-12 in state protective custody for at least 12 of the last 48 months. The credit is available to individuals, firms, partners, limited liability company members, shareholders, corporations, insurance companies, financial institutions, political subdivisions, express companies, and charitable organizations with Missouri unrelated business taxable income.

A scholarship is an annual grant to eligible recipients to cover all or part of the applicable tuition and fees at a qualified school. The amount must be the lesser of the previous year's tuition and fees for non-scholarship students at the qualified school or 90% of the previous year's average current expenditure per average daily attendance for the student's district of residence or the tuition amount set by the voluntary interdistrict coordinating council for the student's district of residence, if applicable. Any scholarship recipient will continue to be eligible to receive his or her scholarship upon a legal adoption, or after graduation from the qualified school he or she first received a scholarship if attending a new qualified school.

The Department of Elementary and Secondary Education will establish rules to implement this credit, issue tax credit certificates, grant scholarships, and prepare and maintain an easy-to-search database containing statewide assessment scores of all scholarship recipients.

This bill is similar to HB 841 (2015).