

HCS HB 77 -- TAX CREDIT FOR EDUCATIONAL EXPENSES

SPONSOR: Loy

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Emerging Issues by a vote of 10 to 5.

The following is a summary of the House Committee Substitute for HB 77.

This bill establishes the "Missouri Parental Choice Tax Credit Act", and provides a tax credit to parents or guardians of any "qualified student" enrolling in a family paced education school, private school, private virtual school, parochial school, or parish school. The tax credit can be claimed for eligible expenses, which are outlined in the bill, and include the cost of tuition and fees, textbooks, and tutoring services. The tax credit cannot exceed the lesser of the eligible qualified expenses paid by the taxpayer or the State adequacy target for the tax year.

The bill outlines specific provisions for claiming the tax credit along with eligibility restrictions. Taxpayers participating in the Missouri Empowerment Scholarship Accounts Program are ineligible. Tax credits are refundable but not transferable.

This program sunsets six years after the effective date.

This bill is similar to HB 1911 (2024).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPOSERS: Supporters say that this bill will put the education decision making in the hands of parents. Each student has their own individual set of needs, and more school settings should be made available, which would get the State closer to universal school choice. Supporters further say that there are a lot of Missouri families who, but for a lack of funds, would send their children to a private school, and this bill provides a wider range of options to families.

Testifying in person for the bill were Representative Loy; Americans For Prosperity; American Federation For Children; and Rebecca Uccello.

OPPOSERS: Those who oppose the bill say that the bill still exerts too much governmental control over FPE families because of the definitions used in the bill language. Opponents further say

that the loss of revenue and local control over the vital area of education, which should be thought of first and foremost as a public good, can be devastating to communities if funds are diverted to private institutions.

Testifying in person against the bill were Missouri State Teachers Association; Family Covenant Ministries; Otto Fajen, Missouri National Education Association; Missouri School Boards' Association; Arnie Dienoff; and Families For Home Education, Inc..

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.