

FISCAL NOTE
Requested by Legislative Council
01/16/2015

Amendment to: HB 1355

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2013-2015 Biennium		2015-2017 Biennium		2017-2019 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2013-2015 Biennium	2015-2017 Biennium	2017-2019 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1355 will create a new income tax credit for corporations that contribute to a scholarship fund administered by a 501(c)(3) tax-exempt nonprofit organization. The purpose of the fund is to provide scholarships to private school students whose household income meets certain thresholds.

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1355 will create a new income tax credit for corporations that make a contribution to a scholarship fund called the "Parents Choice Tax Credit Scholarship Fund," the purpose of which is to provide scholarships to private school students whose household income is no more than 185% of the income standards to qualify for free or reduced cost lunches. The fund must be set and administered by a 501(c)(3) tax-exempt nonprofit organization. The credit is equal to the amount of the contribution or 50% of the corporation's income tax liability before credits, whichever is smaller. The total amount of credits allowed each year is limited to \$10 million.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

If enacted, HB 1355 may reduce the state general fund revenues for the 2015-17 biennium. The amount of the reduction, if any, cannot be determined because the number of funds that may be established and the potential amount of contributions that may be made are unknown. The annual cap on the total credits allowed limits any reduction in state general fund revenues to -\$20 million for the 2015-17 biennium.

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Kathryn L. Strombeck

Agency: Office of Tax Commissioner

Telephone: 328-3402

Date Prepared: 01/24/2015