

2732--A

2011-2012 Regular Sessions

I N S E N A T E

January 31, 2011

Introduced by Sens. GOLDEN, GRISANTI, HANNON, MARTINS, MAZIARZ -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations -- recommitted to the Committee on Investigations and Government Operations in accordance with Senate Rule 6, sec. 8 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law, in relation to enacting the "education investment incentives act"

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 Section 1. Short title. This act shall be known and may be cited as
2 the "education investment incentives act".
3 S 2. Legislative findings and intent. The legislature hereby finds and
4 declares that:
5 a. At a time when the state is considering ways of reducing the tax
6 burden for New York state residents and educators are seeking an expansion of financial resources, charitable giving for educational purposes
7 should be stimulated;
8 b. Permitting public education entities such as school districts and
9 individual public schools, including charter schools, to accept and
10 receive voluntary cash contributions will lessen the need for additional
11 tax revenue;
12 c. Encouraging voluntary support for education, without prejudice for
13 or against any state-sanctioned educational enterprise, promotes the
14 state's interest in providing the highest quality education to all children in the state;
15 d. Requiring a sharing of resources among school districts will insure
16 a more equitable distribution of financial support;
17 e. The tax credit provided in this act is merely one of many credits
18 available to New York taxpayers;
19
20

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets [] is old law to be omitted.

LBD05643-03-2

1 f. The intended beneficiaries of the tax credit provided in this act
2 are the students who attend public schools, including charter schools,
3 or who further their educations using tuition scholarships from educa-
4 tional scholarship organizations, or who participate in home-based
5 educational programs; therefore the tax credit does not constitute
6 public aid to non-public sectarian institutions;

7 g. Permitting school personnel to claim a credit for the purchase of
8 classroom instructional materials and supplies will insure a wider
9 availability of such materials and supplies for all students.

10 S 3. Section 606 of the tax law is amended by adding five new
11 subsections (u), (v), (w), (w-1) and (w-2) to read as follows:

12 (U) DEFINITIONS. AS USED IN SUBSECTIONS (V), (W), (W-1) AND (W-2) OF
13 THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

14 (1) "PUBLIC EDUCATION ENTITY" SHALL MEAN ANY PUBLIC SCHOOL DISTRICT OR
15 ANY INDIVIDUAL PUBLIC SCHOOL, INCLUDING ANY CHARTER SCHOOL.

16 (2) "LOCAL EDUCATION FUND" SHALL MEAN A CHARITABLE ORGANIZATION IN
17 THIS STATE THAT:

18 (A) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501 (C)(3) OF THE
19 INTERNAL REVENUE CODE; AND

20 (B) IS ESTABLISHED FOR THE EXPLICIT PURPOSE OF SUPPORTING PUBLIC
21 EDUCATION WITHIN A SPECIFIC PUBLIC SCHOOL DISTRICT.

22 (3) "EDUCATIONAL SCHOLARSHIP ORGANIZATION" SHALL MEAN A CHARITABLE
23 ORGANIZATION IN THIS STATE THAT:

24 (A) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501 (C)(3) OF THE
25 INTERNAL REVENUE CODE; AND

26 (B) ALLOCATES AT LEAST EIGHTY-SEVEN PERCENT OF ITS ANNUAL EXPENDITURES
27 FOR EDUCATIONAL SCHOLARSHIPS OR TUITION GRANTS TO CHILDREN ALLOWING THEM
28 TO ATTEND ANY ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL AND/OR TO RECEIVE
29 TUTORING AND MENTORING SERVICES IN AN ELIGIBLE RELIGIOUS OR INDEPENDENT
30 SCHOOL, OR FOR OTHER EDUCATIONAL PURPOSES; AND

31 (C) MAKES EDUCATIONAL SCHOLARSHIPS, WHICH MAY INCLUDE SCHOLARSHIPS FOR
32 TUTORING AND MENTORING SERVICES, OR TUITION GRANTS AVAILABLE TO CHILDREN
33 FROM MORE THAN ONE PUBLIC OR ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL;
34 AND

35 (D) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS
36 AMOUNT EXPENDED FOR SCHOLARSHIPS AND TUITION GRANTS, MENTORING SERVICES,
37 AND OTHER EDUCATIONAL PURPOSES.

38 (4) "ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL" SHALL MEAN ANY RELI-
39 GIOUS OR INDEPENDENT PRIMARY OR SECONDARY SCHOOL THAT IS LOCATED IN THIS
40 STATE, THAT SATISFIES THE REQUIREMENTS PRESCRIBED BY LAW FOR SUCH
41 SCHOOLS IN THIS STATE, AND THAT HAS QUALIFIED FOR FEDERAL TAX EXEMPTION
42 UNDER SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE.

43 (5) "AUTHORIZED CERTIFICATE OF RECEIPT" SHALL MEAN A CERTIFICATE
44 DESIGNED BY THE COMMISSIONER FOR THE PURPOSE OF ACKNOWLEDGING RECEIPT OF
45 A CHARITABLE CONTRIBUTION BY THE CHIEF EXECUTIVE OFFICER OF A PUBLIC
46 EDUCATION ENTITY, OR OF A LOCAL EDUCATION FUND OR OF AN EDUCATIONAL
47 SCHOLARSHIP ORGANIZATION.

48 (V) CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. FOR TAXABLE YEARS BEGIN-
49 NING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN, A CREDIT IS
50 ALLOWED AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH
51 CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC
52 EDUCATION ENTITY. ACCEPTANCE AND RECEIPT OF ALL SUCH CONTRIBUTIONS SHALL
53 BE PERMITTED. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN
54 AUTHORIZED CERTIFICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE
55 COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTI-
56 CLE.

1 (1) THE AMOUNT OF THE CREDIT.

2 (A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIB-
3 UTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR.

4 (B) A SHAREHOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PART-
5 NERSHIP (OR OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX
6 PURPOSES) SHALL BE TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER
7 PRO-RATA SHARE OF THE TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR
8 PARTNERSHIP, DETERMINED FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE
9 YEAR ENDING WITH OR WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR.
10 THE MAXIMUM AMOUNT OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP
11 SHALL BE THE SAME AS THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS
12 FORTY-SIX AND FORTY-SEVEN OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

13 (2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN
14 WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF
15 OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

16 (3) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER
17 THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE NO TAXES DUE
18 UNDER THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT
19 USED TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN
20 FIVE YEARS INCOME TAX LIABILITY.

21 (4) CONTRIBUTIONS OF TEN THOUSAND DOLLARS OR LESS IN ANY TAXABLE YEAR
22 SHALL NOT BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTI-
23 CLE FOR CHARITABLE CONTRIBUTIONS. CONTRIBUTIONS IN EXCESS OF TEN THOU-
24 SAND DOLLARS IN ANY TAXABLE YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS
25 AS ALLOWED UNDER THIS ARTICLE FOR CHARITABLE CONTRIBUTIONS.

26 (5) SUCH CONTRIBUTIONS SHALL BE DEPOSITED IN A SEPARATE ACCOUNT.

27 (6) IF MADE TO A PUBLIC SCHOOL DISTRICT SUCH CONTRIBUTIONS SHALL BE
28 SUPERVISED BY A PERSON SO DESIGNATED BY THE CHANCELLOR OR SUPERINTEN-
29 DENT. IF MADE TO A PARTICULAR SCHOOL THEY SHALL BE SUPERVISED BY THE
30 SCHOOL PRINCIPAL. REPORTS OF DEPOSITS AND DISBURSEMENTS SHALL BE MADE TO
31 THE LOCAL BOARD OF EDUCATION ANNUALLY. CHARTER SCHOOLS SHALL MAKE SUCH
32 REPORTS TO THE STATE EDUCATION DEPARTMENT.

33 (W) CONTRIBUTIONS TO LOCAL EDUCATION FUND CREDIT. IN LIEU OF CONTRIB-
34 UTIONS IN SUBSECTION (V) OF THIS SECTION, A CREDIT IS ALLOWED:

35 (1) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
36 ER DURING THE TAXABLE YEAR TO A LOCAL EDUCATION FUND. A TAXPAYER WHO
37 SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIFICATE OF RECEIPT
38 SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED,
39 AGAINST THE TAX IMPOSED BY THIS ARTICLE.

40 (A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIB-
41 UTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR. A SHARE-
42 HOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PARTNERSHIP (OR
43 OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX PURPOSES) SHALL BE
44 TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER PRO-RATA SHARE OF THE
45 TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR PARTNERSHIP, DETERMINED
46 FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE YEAR ENDING WITH OR
47 WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR. THE MAXIMUM AMOUNT
48 OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP SHALL BE THE SAME AS
49 THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS FORTY-SIX AND
50 FORTY-SEVEN OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

51 (B) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN
52 WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF
53 OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

54 (C) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER
55 THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE TAXES DUE UNDER
56 THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT USED

1 TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN FIVE
2 YEARS' INCOME TAX LIABILITY.

3 (D) CONTRIBUTIONS IN EXCESS OF TEN THOUSAND DOLLARS IN ANY TAXABLE
4 YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTI-
5 CLE FOR CHARITABLE CONTRIBUTIONS.

6 (E) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO A LOCAL
7 EDUCATION FUND FOR THE BENEFIT OF A DESIGNATED STUDENT.

8 (2) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
9 ER DURING THE TAXABLE YEAR TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION. A
10 TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIF-
11 ICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFT-
12 ER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

13 (A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIB-
14 UTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR. A SHARE-
15 HOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PARTNERSHIP (OR
16 OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX PURPOSES) SHALL BE
17 TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER PRO-RATA SHARE OF THE
18 TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR PARTNERSHIP, DETERMINED
19 FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE YEAR ENDING WITH OR
20 WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR. THE MAXIMUM AMOUNT
21 OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP SHALL BE THE SAME AS
22 THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS FORTY-SIX AND
23 FORTY-SEVEN OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

24 (B) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN
25 WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF
26 OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

27 (C) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER
28 THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE NO TAXES DUE
29 UNDER THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT
30 USED TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN
31 FIVE YEARS' INCOME TAX LIABILITY.

32 (D) CONTRIBUTIONS IN EXCESS OF TEN THOUSAND DOLLARS IN ANY TAXABLE
33 YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTI-
34 CLE FOR CHARITABLE CONTRIBUTIONS.

35 (E) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO AN
36 EDUCATIONAL SCHOLARSHIP ORGANIZATION FOR THE BENEFIT OF A DESIGNATED
37 STUDENT.

38 (W-1) HOME-BASED INSTRUCTIONAL MATERIALS CREDIT. IN LIEU OF CONTRIB-
39 UTIONS IN SUBSECTIONS (V) AND (W) OF THIS SECTION, A CREDIT IS ALLOWED
40 FOR THE PURCHASE OF INSTRUCTIONAL MATERIALS FOR NON-PUBLIC HOME-BASED
41 EDUCATIONAL PROGRAMS. THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF
42 SUCH PURCHASES.

43 (1) THE AMOUNT OF SUCH CREDIT SHALL NOT EXCEED SEVENTY-FIVE DOLLARS IN
44 ANY TAXABLE YEAR.

45 (2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN
46 WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF
47 OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

48 (3) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER
49 THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE NO TAXES DUE
50 UNDER THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT
51 USED TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN
52 FIVE YEARS' INCOME TAX LIABILITY.

53 (4) IF THE TAXPAYER SHALL BE RESPONSIBLE FOR NOTIFYING THE COMMISSION-
54 ER OF THE INTENTION TO CLAIM THE ALLOWABLE CREDIT, NO LATER THAN DECEM-
55 BER THIRTY-FIRST.

(W-2) CLASSROOM INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. A CREDIT IS ALLOWED FOR THE PURCHASE OF CLASSROOM INSTRUCTIONAL MATERIALS AND SUPPLIES FOR PERSONNEL EMPLOYED IN ANY PUBLIC SCHOOL, INCLUDING ANY CHARTER SCHOOL, OR IN ANY ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL.

(1) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH PURCHASES. THE AMOUNT OF SUCH CREDIT SHALL NOT EXCEED SEVENTY-FIVE DOLLARS IN ANY TAXABLE YEAR.

(2) THE TAXPAYER SHALL BE RESPONSIBLE FOR NOTIFYING THE COMMISSIONER OF THE INTENTION TO CLAIM THE ALLOWABLE CREDIT, NO LATER THAN DECEMBER THIRTY-FIRST, INDICATING WHETHER THE PURCHASE WAS MADE FOR USE IN A PUBLIC SCHOOL, INCLUDING A CHARTER SCHOOL, OR AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL.

S 4. Section 210 of the tax law is amended by adding four new subdivisions 45, 46, 47 and 48 to read as follows:

45. DEFINITIONS. AS USED IN SUBDIVISIONS FORTY-SIX AND FORTY-SEVEN OF THIS SECTION THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(A) "PUBLIC EDUCATION ENTITY" SHALL MEAN ANY PUBLIC SCHOOL DISTRICT OR ANY INDIVIDUAL PUBLIC SCHOOL, INCLUDING ANY CHARTER SCHOOL.

(B) "LOCAL EDUCATION FUND" SHALL MEAN A CHARITABLE ORGANIZATION IN THIS STATE THAT:

(1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C) (3) OF THE INTERNAL REVENUE CODE; AND

(2) IS ESTABLISHED FOR THE EXPLICIT PURPOSE OF SUPPORTING PUBLIC EDUCATION WITHIN A SPECIFIC PUBLIC SCHOOL DISTRICT; AND

(3) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS AMOUNT EXPENDED IN SUPPORT OF PUBLIC EDUCATION.

(C) "EDUCATIONAL SCHOLARSHIP ORGANIZATION" SHALL MEAN A CHARITABLE ORGANIZATION IN THIS STATE THAT:

(1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE; AND

(2) ALLOCATES AT LEAST EIGHTY-SEVEN PERCENT OF ITS ANNUAL EXPENDITURES FOR EDUCATIONAL SCHOLARSHIPS OR TUITION GRANTS TO CHILDREN ALLOWING THEM TO ATTEND ANY ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL AND/OR TO RECEIVE TUTORING AND MENTORING SERVICES IN AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL, OR FOR OTHER EDUCATIONAL PURPOSES; AND

(3) MAKES EDUCATIONAL SCHOLARSHIPS, WHICH MAY INCLUDE SCHOLARSHIPS FOR TUTORING AND MENTORING SERVICES, OR TUITION GRANTS AVAILABLE TO CHILDREN FROM MORE THAN ONE PUBLIC OR ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL; AND

(4) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS AMOUNT EXPENDED FOR SCHOLARSHIPS AND TUITION GRANTS.

(D) "ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL" SHALL MEAN ANY RELIGIOUS OR INDEPENDENT PRIMARY OR SECONDARY SCHOOL THAT IS LOCATED IN THIS STATE, THAT SATISFIES THE REQUIREMENTS PRESCRIBED BY LAW FOR SUCH SCHOOLS IN THIS STATE, AND THAT HAS QUALIFIED FOR FEDERAL TAX EXEMPTION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE.

(E) "AUTHORIZED CERTIFICATE OF RECEIPT" SHALL MEAN A CERTIFICATE DESIGNED BY THE COMMISSIONER FOR THE PURPOSE OF ACKNOWLEDGING RECEIPT OF A CHARITABLE CONTRIBUTION BY THE CHIEF EXECUTIVE OFFICER OF A PUBLIC EDUCATION ENTITY, OR OF A LOCAL EDUCATION FUND OR OF AN EDUCATIONAL SCHOLARSHIP ORGANIZATION.

46. CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. (A) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN, A CREDIT IS ALLOWED AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC EDUCATION ENTITY. ACCEPTANCE AND RECEIPT OF ALL SUCH CONTRIBUTIONS SHALL

1 BE PERMITTED. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX CREDIT, TO BE
2 COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTI-
3 CLE. THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS,
4 NOT TO EXCEED FIFTEEN THOUSAND DOLLARS IN ANY TAXABLE YEAR.

5 (B) SUCH CONTRIBUTIONS SHALL BE DEPOSITED IN A SEPARATE ACCOUNT.

6 (C) IF MADE TO A PUBLIC SCHOOL DISTRICT SUCH CONTRIBUTIONS SHALL BE
7 SUPERVISED BY A PERSON SO DESIGNATED BY THE CHANCELLOR OR SUPERINTEN-
8 DENT. IF MADE TO A PARTICULAR SCHOOL THEY SHALL BE SUPERVISED BY THE
9 SCHOOL PRINCIPAL. REPORTS OF DEPOSITS AND DISBURSEMENTS SHALL BE MADE TO
10 THE LOCAL BOARD OF EDUCATION ANNUALLY. CHARTER SCHOOLS SHALL MAKE SUCH
11 REPORTS TO THE STATE EDUCATION DEPARTMENT.

12 47. CONTRIBUTIONS TO LOCAL EDUCATION FUND CREDIT. IN LIEU OF CONTRIB-
13 UTIONS IN SUBDIVISION FORTY-SIX OF THIS SECTION, A CREDIT IS ALLOWED:

14 (A) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
15 ER DURING THE TAXABLE YEAR TO A LOCAL EDUCATION FUND. A TAXPAYER WHO
16 SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIFICATE OF RECEIPT
17 SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED,
18 AGAINST THE TAX IMPOSED BY THIS ARTICLE.

19 (1) THE AMOUNT OF SUCH CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH
20 CONTRIBUTIONS, NOT TO EXCEED FIFTEEN THOUSAND DOLLARS IN ANY TAXABLE
21 YEAR.

22 (2) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO A LOCAL
23 EDUCATION FUND FOR THE BENEFIT OF A DESIGNATED STUDENT.

24 (B) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
25 ER DURING THE TAXABLE YEAR TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION. A
26 TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIF-
27 ICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFT-
28 ER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

29 (1) THE AMOUNT OF SUCH CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH
30 CONTRIBUTIONS, NOT TO EXCEED FIFTEEN THOUSAND DOLLARS IN ANY TAXABLE
31 YEAR.

32 (2) THIS TAX CREDIT MAY NOT BE CLAIMED FOR ANY CONTRIBUTION TO AN
33 EDUCATIONAL SCHOLARSHIP ORGANIZATION FOR THE BENEFIT OF A DESIGNATED
34 STUDENT.

35 48. SCHOOL DISTRICTS RECEIVING CONTRIBUTIONS IN EXCESS OF ONE PERCENT
36 OF THEIR PREVIOUS YEAR'S BUDGET SHALL BE REQUIRED TO REMIT A MINIMUM OF
37 THIRTY-FIVE PERCENT OF ANY SUCH EXCESS AMOUNT TO A FUND ADMINISTERED BY
38 THE COMMISSIONER, TO BE DISTRIBUTED TO SCHOOL DISTRICTS RECEIVING LESS
39 THAN ONE-HALF OF ONE PERCENT OF THEIR PREVIOUS YEAR'S BUDGET. CONTRIB-
40 UTIONS TO SCHOOL DISTRICTS, TO INDIVIDUAL SCHOOLS (NOT INCLUDING CHARTER
41 SCHOOLS) AND TO LOCAL EDUCATION FUNDS SHALL BE AGGREGATED FOR THE
42 PURPOSES OF THIS SECTION. SUCH PAYMENTS SHALL BE CALCULATED ON A CALEN-
43 DAR YEAR BASIS AND SHALL BE MADE NO LATER THAN MARCH FIRST OF THE
44 FOLLOWING YEAR.

45 S 5. Section 171 of the tax law is amended by adding a new subdivision
46 twenty-ninth to read as follows:

47 TWENTY-NINTH. FOR THE PURPOSE OF IMPLEMENTING THE PROVISIONS OF
48 SUBSECTIONS (U), (V), (W), (W-1) AND (W-2) OF SECTION SIX HUNDRED SIX
49 AND SUBDIVISIONS FORTY-FIVE, FORTY-SIX, FORTY-SEVEN AND FORTY-EIGHT OF
50 SECTION TWO HUNDRED TEN OF THIS CHAPTER THE COMMISSIONER SHALL:

51 (1) REGISTER PUBLIC SCHOOL DISTRICTS, INDIVIDUAL PUBLIC SCHOOLS,
52 INCLUDING CHARTER SCHOOLS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOL-
53 ARSHIP ORGANIZATIONS; AND

54 (2) UPON NOTIFICATION BY THE CHIEF EXECUTIVE OFFICER OF ANY EDUCATION
55 ENTITY SO REGISTERED THAT A CONTRIBUTION HAS BEEN RECEIVED, SUCH NOTIFI-
56 CATION BEING WITHIN ONE BUSINESS DAY OF SAID RECEIPT, RECORD THE AMOUNT

1 AND DATE OF THE CONTRIBUTION, THE NAME AND ADDRESS OF THE CONTRIBUTOR;
2 AND

3 (3) UPON NOTIFICATION THAT A CREDIT FOR THE PURCHASE OF INSTRUCTIONAL
4 MATERIALS FOR NON-PUBLIC HOME-BASED EDUCATIONAL PROGRAMS, RECORD THE
5 AMOUNT AND DATE OF THE NOTIFICATION, THE NAME AND ADDRESS OF THE CLAIM-
6 ANT; AND

7 (4) UPON NOTIFICATION THAT A CREDIT FOR THE PURCHASE OF THE CLASSROOM
8 INSTRUCTIONAL MATERIALS AND SUPPLIES, RECORD THE AMOUNT AND DATE OF THE
9 NOTIFICATION, THE NAME AND ADDRESS OF THE CLAIMANT, AND WHETHER THE
10 PURCHASE WAS MADE FOR USE IN A PUBLIC SCHOOL, INCLUDING A CHARTER
11 SCHOOL, OR AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL; AND

12 (5) MAKE NO MORE THAN TWO HUNDRED MILLION DOLLARS IN CREDITS AVAILABLE
13 IN ANY SINGLE TAX YEAR, PROVIDED FURTHER THAT FIFTY PERCENT OF SUCH
14 CREDITS SHALL BE AFFORDED TO TAXPAYERS WHO MAKE DONATIONS TO PUBLIC
15 EDUCATION ENTITIES AND LOCAL EDUCATION FUNDS, AND FOR THE PURCHASE OF
16 CLASSROOM INSTRUCTIONAL MATERIALS AND SUPPLIES FOR USE IN A PUBLIC
17 SCHOOL OR A CHARTER SCHOOL, AND THAT FIFTY PERCENT OF SUCH CREDITS SHALL
18 BE AFFORDED TO EDUCATION SCHOLARSHIP ORGANIZATIONS OR FOR HOME-BASED
19 INSTRUCTIONAL MATERIALS, AND FOR THE PURCHASE OF CLASSROOM INSTRUCTIONAL
20 MATERIALS AND SUPPLIES FOR USE IN AN ELIGIBLE RELIGIOUS OR INDEPENDENT
21 SCHOOL; AND

22 (6) ISSUE TO TAXPAYERS ALL AUTHORIZED CERTIFICATES OF RECEIPT FOR ALL
23 ELIGIBLE CREDITS NO LATER THAN JANUARY THIRTY-FIRST FOR CREDITS CLAIMED
24 FOR THE PREVIOUS CALENDAR YEAR.

25 S 6. Excess contributions. Contributions exceeding the allowed annual
26 maximum of one hundred million dollars to public education entities,
27 local education funds and for the purchase of classroom instructional
28 materials and supplies for use in a public school or a charter school,
29 or the allowed annual maximum of one hundred million dollars to educa-
30 tion scholarship organizations, for home-based instructional materials
31 and for the purchase of classroom instructional materials and supplies
32 for use in an eligible religious or independent school, shall be applied
33 to the following tax year, and the donor so notified within one business
34 day.

35 S 7. The department of taxation and finance shall prepare a written
36 report before January 31 of each calendar year, which shall contain
37 statistical information regarding the credits allowed pursuant to
38 subsections (u), (v), (w), (w-1) and (w-2) of section 606 and subdivi-
39 sions 45, 46, 47 and 48 of section 210 of the tax law as added by
40 sections three and four of this act, for the previous calendar year.
41 Copies of such report shall be submitted to the governor, the temporary
42 president of the senate, the speaker of the assembly, the chair of the
43 senate finance committee and the chair of the assembly ways and means
44 committee. Such reports shall contain, but need not be limited to, the
45 number of credits by type and the amount of such credits allowed to
46 taxpayers.

47 S 8. This act shall take effect on the first of January next succeed-
48 ing the date on which it shall have become a law.