

10862

I N A S S E M B L Y

April 27, 2010

Introduced by M. of A. CUSICK -- read once and referred to the Committee on Ways and Means

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. One of the most vexing problems facing policy makers and educators
6 is the funding of our educational system. When crafting annual school
7 budgets, school officials must grapple with rising costs, fluctuating
8 state and federal aid, and an often unstable local tax base. As a result
9 of these ever-changing dynamics, valuable educational programs are often
10 reduced, eliminated or never actually started;

11 b. The legislature further finds it necessary to encourage greater
12 private sector support of educational opportunities for children.
13 Private sector resources, from both individuals and businesses, would
14 not only help stabilize the school budget process but would allow
15 schools to maintain, expand or begin worthwhile programs;

16 c. In pursuance of the foregoing objectives an education investment
17 tax credit is established by this act to involve the private sector,
18 both individuals and corporations, by encouraging donations to public
19 education entities, and to educational scholarship organizations bene-
20 fitting students attending independent and religious schools;

21 d. The tax credit provided in this act is merely one of many credits
22 available to New York taxpayers;

23 e. The intended beneficiaries of the tax credit provided in this act
24 are the students who attend public schools, including charter schools,
25 or who further their educations using tuition scholarships from educa-
26 tional scholarship organizations, or who participate in home-based
27 educational programs; therefore the tax credit does not constitute
28 public aid to non-public sectarian institutions; and

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

LBD11565-05-0

1 f. Permitting school personnel to claim a credit for the purchase of
2 classroom instructional materials and supplies will insure a wider
3 availability of such materials and supplies for all students.

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

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

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

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

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

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

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

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

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

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

29 (D) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS
30 AMOUNT EXPENDED FOR SCHOLARSHIPS AND TUITION GRANTS, MENTORING SERVICES,
31 AND OTHER EDUCATIONAL PROPOSES.

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

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

42 (V) CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. FOR TAXABLE YEARS BEGIN-
43 NING ON OR AFTER JANUARY FIRST, TWO THOUSAND ELEVEN, A CREDIT IS ALLOWED
44 AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH CONTRIBUTIONS
45 MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC EDUCATION ENTI-
46 TY. ACCEPTANCE AND RECEIPT OF ALL SUCH CONTRIBUTIONS SHALL BE PERMITTED.
47 A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIF-
48 ICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREIN-
49 AFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

50 (1) THE AMOUNT OF THE CREDIT.

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

53 (B) A SHAREHOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PART-
54 NERSHIP (OR OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX
55 PURPOSES) SHALL BE TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER
56 PRO-RATA SHARE OF THE TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR

1 PARTNERSHIP, DETERMINED FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE
2 YEAR ENDING WITH OR WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR.
3 THE MAXIMUM AMOUNT OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP
4 SHALL BE THE SAME AS THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS
5 FORTY-TWO AND FORTY-THREE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

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

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

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

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

18 (6) IF MADE TO A PUBLIC SCHOOL DISTRICT SUCH CONTRIBUTIONS SHALL BE
19 SUPERVISED BY A PERSON SO DESIGNATED BY THE CHANCELLOR OR SUPERINTEN-
20 DENT. IF MADE TO A PARTICULAR SCHOOL THEY SHALL BE SUPERVISED BY THE
21 SCHOOL PRINCIPAL. REPORTS OF DEPOSITS AND DISBURSEMENTS SHALL BE MADE TO
22 THE LOCAL BOARD OF EDUCATION ANNUALLY. CHARTER SCHOOLS SHALL MAKE SUCH
23 REPORTS TO THE STATE EDUCATION DEPARTMENT.

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

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

31 (A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIB-
32 UTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR. A SHARE-
33 HOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PARTNERSHIP (OR
34 OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX PURPOSES) SHALL BE
35 TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER PRO-RATA SHARE OF THE
36 TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR PARTNERSHIP, DETERMINED
37 FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE YEAR ENDING WITH OR
38 WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR. THE MAXIMUM AMOUNT
39 OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP SHALL BE THE SAME AS
40 THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS FORTY-TWO AND
41 FORTY-THREE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

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

45 (C) IF THE ALLOWABLE TAX CREDIT EXCEEDS THE TAXES OTHERWISE DUE UNDER
46 THIS ARTICLE ON THE TAXPAYER'S INCOME, OR IF THERE ARE TAXES DUE UNDER
47 THIS ARTICLE, THE TAXPAYER MAY CARRY THE AMOUNT OF THE CREDIT NOT USED
48 TO OFFSET THE TAXES UNDER THIS ARTICLE FORWARD FOR NOT MORE THAN FIVE
49 YEARS' INCOME TAX LIABILITY.

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

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

55 (2) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
56 ER DURING THE TAXABLE YEAR TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION. A

1 TAXPAYER WHO SUBMITS WITH HIS OR HER TAX RETURN AN AUTHORIZED CERTIF-
2 ICATE OF RECEIPT SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFT-
3 ER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

4 (A) THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIB-
5 UTIONS, NOT TO EXCEED SIX THOUSAND DOLLARS IN ANY TAXABLE YEAR. A SHARE-
6 HOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF A PARTNERSHIP (OR
7 OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX PURPOSES) SHALL BE
8 TREATED AS THE TAXPAYER WITH RESPECT TO HIS OR HER PRO-RATA SHARE OF THE
9 TAX CREDIT ALLOWABLE TO SUCH S CORPORATION OR PARTNERSHIP, DETERMINED
10 FOR THE S CORPORATION'S OR PARTNERSHIP'S TAXABLE YEAR ENDING WITH OR
11 WITHIN THE SHAREHOLDER'S OR PARTNER'S TAXABLE YEAR. THE MAXIMUM AMOUNT
12 OF THE CREDIT FOR SUCH S CORPORATION OR PARTNERSHIP SHALL BE THE SAME AS
13 THAT ALLOWABLE TO CORPORATIONS UNDER SUBDIVISIONS FORTY-TWO AND
14 FORTY-THREE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER.

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

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

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

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

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

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

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

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

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

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

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

54 (2) THE TAXPAYER SHALL BE RESPONSIBLE FOR NOTIFYING THE COMMISSIONER
55 OF THE INTENTION TO CLAIM THE ALLOWABLE CREDIT, NO LATER THAN DECEMBER
56 THIRTY-FIRST, INDICATING WHETHER THE PURCHASE WAS MADE FOR USE IN A

1 PUBLIC SCHOOL, INCLUDING A CHARTER SCHOOL, OR AN ELIGIBLE RELIGIOUS OR
2 INDEPENDENT SCHOOL.

3 S 4. Section 210 of the tax law is amended by adding three new subdi-
4 visions 41, 42 and 43 to read as follows:

5 41. DEFINITIONS. AS USED IN SUBDIVISIONS FORTY-TWO AND FORTY-THREE OF
6 THIS SECTION THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

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

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

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

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

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

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

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

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

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

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

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

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

42 42. CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. (A) FOR TAXABLE YEARS
43 BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND ELEVEN, A CREDIT IS
44 ALLOWED AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH
45 CONTRIBUTIONS MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC
46 EDUCATION ENTITY. ACCEPTANCE AND RECEIPT OF ALL SUCH CONTRIBUTIONS SHALL
47 BE PERMITTED. A TAXPAYER WHO SUBMITS WITH HIS OR HER TAX CREDIT, TO BE
48 COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTI-
49 CLE. THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS,
50 NOT TO EXCEED FIFTEEN THOUSAND DOLLARS IN ANY TAXABLE YEAR.

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

52 (C) IF MADE TO A PUBLIC SCHOOL DISTRICT SUCH CONTRIBUTIONS SHALL BE
53 SUPERVISED BY A PERSON SO DESIGNATED BY THE CHANCELLOR OR SUPERINTEN-
54 DENT. IF MADE TO A PARTICULAR SCHOOL THEY SHALL BE SUPERVISED BY THE
55 SCHOOL PRINCIPAL. REPORTS OF DEPOSITS AND DISBURSEMENTS SHALL BE MADE TO

1 THE LOCAL BOARD OF EDUCATION ANNUALLY. CHARTER SCHOOLS SHALL MAKE SUCH
2 REPORTS TO THE STATE EDUCATION DEPARTMENT.

3 43. CONTRIBUTIONS TO LOCAL EDUCATION FUND CREDIT. IN LIEU OF CONTRIB-
4 UTIONS IN SUBDIVISION FORTY-TWO OF THIS SECTION, A CREDIT IS ALLOWED:

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

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

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

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

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

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

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

28 TWENTY-NINTH. FOR THE PURPOSE OF IMPLEMENTING THE PROVISIONS OF
29 SUBSECTIONS (U), (V), (W), (W-1) AND (W-2) OF SECTION SIX HUNDRED SIX
30 AND SUBDIVISIONS FORTY-ONE, FORTY-TWO AND FORTY-THREE OF SECTION TWO
31 HUNDRED TEN OF THIS CHAPTER THE COMMISSIONER SHALL:

32 (1) REGISTER PUBLIC SCHOOL DISTRICTS, INDIVIDUAL PUBLIC SCHOOLS,
33 INCLUDING CHARTER SCHOOLS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOL-
34 ARSHIP ORGANIZATIONS; AND

35 (2) UPON NOTIFICATION BY THE CHIEF EXECUTIVE OFFICER OF ANY EDUCATION
36 ENTITY SO REGISTERED THAT A CONTRIBUTION HAS BEEN RECEIVED, SUCH NOTIFI-
37 CATION BEING WITHIN ONE BUSINESS DAY OF SAID RECEIPT, RECORD THE AMOUNT
38 AND DATE OF THE CONTRIBUTION, THE NAME AND ADDRESS OF THE CONTRIBUTOR;
39 AND

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

44 (4) UPON NOTIFICATION THAT A CREDIT FOR THE PURCHASE OF THE CLASSROOM
45 INSTRUCTIONAL MATERIALS AND SUPPLIES, RECORD THE AMOUNT AND DATE OF THE
46 NOTIFICATION, THE NAME AND ADDRESS OF THE CLAIMANT, AND WHETHER THE
47 PURCHASE WAS MADE FOR USE IN A PUBLIC SCHOOL, INCLUDING A CHARTER
48 SCHOOL, OR AN ELIGIBLE RELIGIOUS OR INDEPENDENT SCHOOL; AND

49 (5) MAKE NO MORE THAN TWO HUNDRED MILLION DOLLARS IN CREDITS AVAILABLE
50 IN ANY SINGLE TAX YEAR, PROVIDED FURTHER THAT FIFTY PERCENT OF SUCH
51 CREDITS SHALL BE AFFORDED TO TAXPAYERS WHO MAKE DONATIONS TO PUBLIC
52 EDUCATION ENTITIES AND LOCAL EDUCATION FUNDS, AND FOR THE PURCHASE OF
53 CLASSROOM INSTRUCTIONAL MATERIALS AND SUPPLIES FOR USE IN A PUBLIC
54 SCHOOL OR A CHARTER SCHOOL, AND THAT FIFTY PERCENT OF SUCH CREDITS SHALL
55 BE AFFORDED TO EDUCATION SCHOLARSHIP ORGANIZATIONS OR FOR HOME-BASED
56 INSTRUCTIONAL MATERIALS, AND FOR THE PURCHASE OF CLASSROOM INSTRUCTIONAL

1 MATERIALS AND SUPPLIES FOR USE IN AN ELIGIBLE RELIGIOUS OR INDEPENDENT
2 SCHOOL; AND

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

6 S 6. The department of taxation and finance shall prepare a written
7 report before January 31 of each calendar year, which shall contain
8 statistical information regarding the credits allowed pursuant to
9 subsections (u), (v), (w), (w-1) and (w-2) of section 606 and subdivi-
10 sions 41, 42 and 43 of section 210 of the tax law as added by sections
11 three and four of this act, for the previous calendar year. Copies of
12 such report shall be submitted to the governor, the temporary president
13 of the senate, the speaker of the assembly, the chair of the senate
14 finance committee and the chair of the assembly ways and means commit-
15 tee. Such reports shall contain, but need not be limited to, the number
16 of credits by type and the amount of such credits allowed to taxpayers.

17 S 7. This act shall take effect on the first of January next succeed-
18 ing the date on which it shall have become a law.