

5628

2009-2010 Regular Sessions

I N A S S E M B L Y

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Introduced by M. of A. HIKIND, SCHROEDER -- Multi-Sponsored by -- M. of A. BOYLAND, COLTON, CUSICK, CYMBROWITZ, DIAZ, GIANARIS, JACOBS, KOON, LENTOL, ORTIZ, PERRY, PHEFFER, J. RIVERA, SEMINERIO, TOWNS, WEINSTEIN, WEISENBERG -- read once and referred to the Committee on Ways and Means

AN ACT to amend the tax law, in relation to permitting a credit to be taken against taxes owed to the state on income, such credit to offset contributions to a public school district or a public school in this state, to a local education fund, or to an educational scholarship organization, or for the purchase of instructional materials and classroom supplies for schools and non-public home-based education programs

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 "educational tax 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 expan-
7 sion of financial resources, charitable giving for educational purposes
8 should be stimulated;
9 b. Permitting public education entities such as school districts and
10 individual public schools, including charter schools, to accept and
11 receive voluntary cash contributions will lessen the need for additional
12 tax revenue;
13 c. Encouraging voluntary support for education, without prejudice for
14 or against any state-sanctioned educational enterprise, promotes the
15 state's interest in providing the highest quality education to all chil-
16 dren in the state;

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

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1 d. Requiring a sharing of resources among school districts will insure
2 a more equitable distribution of financial support;

3 e. The tax credit provided in this act is merely one of many credits
4 available to New York taxpayers;

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

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

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

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

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

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

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

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

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

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

30 (B) ALLOCATES AT LEAST NINETY PERCENT OF ITS ANNUAL EXPENDITURES FOR
31 EDUCATIONAL SCHOLARSHIPS OR TUITION GRANTS TO CHILDREN ALLOWING THEM TO
32 ATTEND ANY ELIGIBLE NON-PUBLIC SCHOOL AND/OR TO RECEIVE TUTORING AND
33 MENTORING SERVICES IN AN ELIGIBLE NON-PUBLIC SCHOOL, OR FOR OTHER EDUCA-
34 TIONAL PURPOSES; AND

35 (C) MAKES EDUCATIONAL SCHOLARSHIPS, WHICH MAY INCLUDE SCHOLARSHIPS FOR
36 TUTORING AND MENTORING SERVICES, OR TUITION GRANTS AVAILABLE TO CHILDREN
37 FROM MORE THAN ONE PUBLIC OR ELIGIBLE NON-PUBLIC SCHOOL; AND

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

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

45 (V) CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. FOR TAXABLE YEARS BEGIN-
46 NING ON OR AFTER JANUARY FIRST, TWO THOUSAND TEN, A CREDIT IS ALLOWED
47 AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH CONTRIBUTIONS
48 MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC EDUCATION ENTI-
49 TY. ACCEPTANCE AND RECEIPT OF SUCH CONTRIBUTIONS SHALL BE PERMITTED.
50 THIS CREDIT SHALL BE VALUED AT SIXTY-SIX AND TWO-THIRDS PERCENT OF SUCH
51 CONTRIBUTIONS.

52 (1) THE AMOUNT OF THE CREDIT.

53 (A) THIS CREDIT SHALL NOT EXCEED EIGHTY DOLLARS IN ANY TAXABLE YEAR.

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

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

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

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

15 (4) CONTRIBUTIONS IN EXCESS OF ONE HUNDRED TWENTY DOLLARS IN ANY TAXA-
16 BLE YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS
17 ARTICLE FOR CHARITABLE CONTRIBUTIONS.

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

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

25 (W) CONTRIBUTIONS TO LOCAL EDUCATION CREDIT. IN LIEU OF CONTRIBUTIONS
26 IN SUBSECTION (V) OF THIS SECTION, A CREDIT IS ALLOWED:

27 (1) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
28 ER DURING THE TAXABLE YEAR TO A LOCAL EDUCATION FUND. THIS CREDIT SHALL
29 BE VALUED AT SIXTY-SIX AND TWO-THIRDS PERCENT OF SUCH CONTRIBUTIONS.

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

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

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

48 (D) CONTRIBUTIONS IN EXCESS OF ONE HUNDRED TWENTY DOLLARS IN ANY TAXA-
49 BLE YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS
50 ARTICLE FOR CHARITABLE CONTRIBUTIONS.

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

53 (2) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
54 ER DURING THE TAXABLE YEAR TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION.
55 THIS CREDIT SHALL BE VALUED AT FIFTY PERCENT OF SUCH CONTRIBUTIONS.

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

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

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

19 (D) CONTRIBUTIONS IN EXCESS OF ONE HUNDRED TWENTY DOLLARS IN ANY TAXA-
20 BLE YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS
21 ARTICLE FOR CHARITABLE CONTRIBUTIONS.

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

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

30 (1) THE AMOUNT OF SUCH CREDIT SHALL NOT EXCEED SIXTY DOLLARS IN ANY
31 TAXABLE YEAR.

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

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

40 (W-2) CLASSROOM INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. A CREDIT
41 IS ALLOWED FOR THE PURCHASE OF CLASSROOM INSTRUCTIONAL MATERIALS AND
42 SUPPLIES FOR PERSONNEL EMPLOYED IN ANY PUBLIC SCHOOL, INCLUDING ANY
43 CHARTER SCHOOL, OR IN ANY ELIGIBLE NON-PUBLIC SCHOOL. THIS CREDIT SHALL
44 BE VALUED AT FIFTY PERCENT OF SUCH PURCHASES. THE AMOUNT OF SUCH CREDIT
45 SHALL NOT EXCEED SIXTY DOLLARS IN ANY TAXABLE YEAR.

46 S 4. Section 210 of the tax law is amended by adding four new subdivi-
47 sions 41, 42, 43 and 44 to read as follows:

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

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

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

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

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

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

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

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

9 (2) ALLOCATES AT LEAST NINETY PERCENT OF ITS ANNUAL EXPENDITURES FOR
10 EDUCATIONAL SCHOLARSHIPS OR TUITION GRANTS TO CHILDREN ALLOWING THEM TO
11 ATTEND ANY ELIGIBLE NON-PUBLIC SCHOOL AND/OR TO RECEIVE TUTORING AND
12 MENTORING SERVICES IN AN ELIGIBLE NON-PUBLIC SCHOOL, OR FOR OTHER EDUCA-
13 TIONAL PURPOSES; AND

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

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

19 (D) "ELIGIBLE NON-PUBLIC SCHOOL" SHALL MEAN ANY NON-PUBLIC PRIMARY OR
20 SECONDARY SCHOOL THAT IS LOCATED IN THIS STATE, THAT SATISFIES THE
21 REQUIREMENTS PRESCRIBED BY LAW FOR NON-PUBLIC SCHOOLS IN THIS STATE, AND
22 THAT HAS QUALIFIED FOR FEDERAL TAX EXEMPTION UNDER SECTION 501(C)(3) OF
23 THE INTERNAL REVENUE CODE.

24 42. CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. FOR TAXABLE YEARS BEGIN-
25 NING ON OR AFTER JANUARY FIRST, TWO THOUSAND TEN, A CREDIT IS ALLOWED
26 AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR VOLUNTARY CASH CONTRIBUTIONS
27 MADE BY THE TAXPAYER DURING THE TAXABLE YEAR TO A PUBLIC EDUCATION ENTI-
28 TY. ACCEPTANCE AND RECEIPT OF SUCH CONTRIBUTIONS SHALL BE PERMITTED.
29 THIS CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH CONTRIBUTIONS.

30 (A) THE AMOUNT OF THE CREDIT SHALL NOT EXCEED TWO THOUSAND ONE HUNDRED
31 SIXTY DOLLARS IN ANY TAXABLE YEAR.

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

33 (C) IF MADE TO A PUBLIC SCHOOL DISTRICT SUCH CONTRIBUTIONS SHALL BE
34 SUPERVISED BY A PERSON SO DESIGNATED BY THE CHANCELLOR OR SUPERINTEN-
35 DENT. IF MADE TO A PARTICULAR SCHOOL THEY SHALL BE SUPERVISED BY THE
36 SCHOOL PRINCIPAL. REPORTS OF DEPOSITS AND DISBURSEMENTS SHALL BE MADE TO
37 THE LOCAL BOARD OF EDUCATION ANNUALLY. CHARTER SCHOOLS SHALL MAKE SUCH
38 REPORTS TO THE STATE EDUCATION DEPARTMENT.

39 43. CONTRIBUTIONS TO LOCAL EDUCATION CREDIT. IN LIEU OF CONTRIBUTIONS
40 IN SUBDIVISION FORTY-TWO OF THIS SECTION, A CREDIT IS ALLOWED:

41 (A) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
42 ER DURING THE TAXABLE YEAR TO A LOCAL EDUCATION FUND.

43 (1) THE AMOUNT OF SUCH CREDIT SHALL BE VALUED AT SIXTY PERCENT OF SUCH
44 CONTRIBUTIONS BUT SHALL NOT EXCEED TWO THOUSAND ONE HUNDRED SIXTY
45 DOLLARS IN ANY TAXABLE YEAR.

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

48 (B) FOR THE AMOUNT OF VOLUNTARY CASH CONTRIBUTIONS MADE BY THE TAXPAY-
49 ER DURING THE TAXABLE YEAR TO AN EDUCATIONAL SCHOLARSHIP ORGANIZATION.

50 (1) THE AMOUNT OF SUCH CREDIT SHALL BE VALUED AT FIFTY PERCENT OF SUCH
51 CONTRIBUTIONS BUT SHALL NOT EXCEED ONE THOUSAND EIGHT HUNDRED DOLLARS IN
52 ANY TAXABLE YEAR.

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

1 44. SCHOOL DISTRICTS RECEIVING CONTRIBUTIONS IN EXCESS OF ONE PERCENT
2 OF THEIR PREVIOUS YEAR'S BUDGET SHALL BE REQUIRED TO REMIT A MINIMUM OF
3 THIRTY-FIVE PERCENT OF ANY SUCH EXCESS AMOUNT TO A FUND ADMINISTERED BY
4 THE COMMISSIONER, TO BE DISTRIBUTED TO SCHOOL DISTRICTS RECEIVING LESS
5 THAN ONE-HALF OF ONE PERCENT OF THEIR PREVIOUS YEAR'S BUDGET. CONTRIB-
6 UTIONS TO SCHOOL DISTRICTS, TO INDIVIDUAL SCHOOLS (NOT INCLUDING CHARTER
7 SCHOOLS) AND TO LOCAL EDUCATION FUNDS SHALL BE AGGREGATED FOR THE
8 PURPOSES OF THIS SECTION. SUCH PAYMENTS SHALL BE CALCULATED ON A CALEN-
9 DAR YEAR BASIS AND SHALL BE MADE NO LATER THAN MARCH FIRST OF THE
10 FOLLOWING YEAR.

11 S 5. The department of taxation and finance shall prepare a written
12 report before January first of each calendar year, which shall contain
13 statistical information regarding the credits allowed pursuant to
14 subsections (u), (v), (w), (w-1) and (w-2) of section 606 and subdivi-
15 sions 41, 42 and 43 of section 210 of the tax law and regarding the
16 collections and disbursements required pursuant to subdivision 44 of
17 section 210 of the tax law, as added by sections three and four of this
18 act, for the previous calendar year. Copies of such report shall be
19 submitted to the governor, the temporary president of the senate, the
20 speaker of the assembly, the chair of the senate finance committee and
21 the chair of the assembly ways and means committee. Such reports shall
22 contain, but need not be limited to, the number of credits by type and
23 the amount of such credits allowed to taxpayers and amounts of excess
24 contributions, by district, collected and disbursed.

25 S 6. This act shall take effect on the first of January next succeed-
26 ing the date on which it shall have become a law.