

5444

2009-2010 Regular Sessions

I N S E N A T E

May 6, 2009

Introduced by Sens. SAMPSON, HASSELL-THOMPSON, HUNTLEY, ONORATO -- read twice and ordered printed, and when printed to be committed to the Committee on Investigations and Government Operations

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 expansion of financial resources, charitable giving for educational purposes  
7 should be stimulated;  
8  
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 children in the state;  
16  
17 d. Requiring a sharing of resources among school districts will insure  
18 a more equitable distribution of financial support;

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

LBD07051-01-9

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

50 (1) THE AMOUNT OF THE CREDIT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

54 (A) THE AMOUNT OF SUCH CREDIT SHALL NOT EXCEED SIXTY DOLLARS IN ANY  
55 TAXABLE YEAR. A SHAREHOLDER OF A NEW YORK S CORPORATION OR A PARTNER OF  
56 A PARTNERSHIP (OR OTHER ENTITY TREATED AS A PARTNERSHIP FOR INCOME TAX

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

52 44. SCHOOL DISTRICTS RECEIVING CONTRIBUTIONS IN EXCESS OF ONE PERCENT  
53 OF THEIR PREVIOUS YEAR'S BUDGET SHALL BE REQUIRED TO REMIT A MINIMUM OF  
54 THIRTY-FIVE PERCENT OF ANY SUCH EXCESS AMOUNT TO A FUND ADMINISTERED BY  
55 THE COMMISSIONER, TO BE DISTRIBUTED TO SCHOOL DISTRICTS RECEIVING LESS  
56 THAN ONE-HALF OF ONE PERCENT OF THEIR PREVIOUS YEAR'S BUDGET. CONTRIB-

1 UTIONS TO SCHOOL DISTRICTS, TO INDIVIDUAL SCHOOLS (NOT INCLUDING CHARTER  
2 SCHOOLS) AND TO LOCAL EDUCATION FUNDS SHALL BE AGGREGATED FOR THE  
3 PURPOSES OF THIS SECTION. SUCH PAYMENTS SHALL BE CALCULATED ON A CALEN-  
4 DAR YEAR BASIS AND SHALL BE MADE NO LATER THAN MARCH FIRST OF THE  
5 FOLLOWING YEAR.

6 S 5. The department of taxation and finance shall prepare a written  
7 report before January first 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 and regarding the  
11 collections and disbursements required pursuant to subdivision 44 of  
12 section 210 of the tax law, as added by sections three and four of this  
13 act, for the previous calendar year. Copies of such report shall be  
14 submitted to the governor, the temporary president of the senate, the  
15 speaker of the assembly, the chair of the senate finance committee and  
16 the chair of the assembly ways and means committee. Such reports shall  
17 contain, but need not be limited to, the number of credits by type and  
18 the amount of such credits allowed to taxpayers and amounts of excess  
19 contributions, by district, collected and disbursed.

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