

1640

2011-2012 Regular Sessions

I N S E N A T E

January 10, 2011

Introduced by Sen. SAMPSON -- 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 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
18

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

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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 TWELVE, 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-FOUR AND FORTY-FIVE 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-FOUR AND FORTY-FIVE 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

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

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

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

(D) CONTRIBUTIONS IN EXCESS OF ONE HUNDRED TWENTY DOLLARS IN ANY TAXABLE YEAR SHALL BE CONSIDERED ELIGIBLE DEDUCTIONS AS ALLOWED UNDER THIS ARTICLE FOR CHARITABLE CONTRIBUTIONS.

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

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

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

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

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

(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 NON-PUBLIC SCHOOL. THIS CREDIT SHALL BE VALUED AT FIFTY PERCENT OF SUCH PURCHASES. THE AMOUNT OF SUCH CREDIT SHALL NOT EXCEED SIXTY DOLLARS IN ANY TAXABLE YEAR.

S 4. Section 210 of the tax law is amended by adding four new subdivisions 43, 44, 45 and 46 to read as follows:

43. DEFINITIONS. AS USED IN SUBDIVISIONS FORTY-FOUR AND FORTY-FIVE 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;

(3) REPORTS ANNUALLY TO THE DEPARTMENT THE GROSS RECEIPTS AND GROSS 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 44. CONTRIBUTIONS TO PUBLIC EDUCATION CREDIT. FOR TAXABLE YEARS BEGIN-
21 NING ON OR AFTER JANUARY FIRST, TWO THOUSAND TWELVE, 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 45. CONTRIBUTIONS TO LOCAL EDUCATION CREDIT. IN LIEU OF CONTRIBUTIONS
36 IN SUBDIVISION FORTY-FOUR 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 46. 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 43, 44 and 45 of section 210 of the tax law and regarding the
11 collections and disbursements required pursuant to subdivision 46 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.