

2551--A

2015-2016 Regular Sessions

I N A S S E M B L Y

January 16, 2015

Introduced by M. of A. CUSICK, CRESPO, SIMANOWITZ, THIELE, MARKEY, MALLIOTAKIS, GOLDFEDER, BENEDETTO, KEARNS, HEVESI, PERRY, CURRAN, WEPRIN, ROZIC, RODRIGUEZ, DenDEKKER, GJONAJ, MILLER, SKARTADOS, SALADINO, FITZPATRICK, ARROYO, TITONE, HIKIND, McDONALD, BRABENEC, GIGLIO, OTIS, FINCH, WOZNIAK, GANTT, LAWRENCE, MOYA -- Multi-Sponsored by -- M. of A. BLANKENBUSH, BRAUNSTEIN, COLTON, COOK, CORWIN, CYMBROWITZ, DAVILA, GARBARINO, GOODELL, GRAF, HAWLEY, KATZ, KOLB, LALOR, LENTOL, LOPEZ, McLAUGHLIN, MONTESANO, NOJAY, OAKS, ORTIZ, PALMESANO, PALUMBO, PEOPLES-STOKES, PICHARDO, PRETLOW, RA, SCHIMMINGER, SIMOTAS, SOLAGES, STEC, TENNEY, TITUS, WEINSTEIN -- read once and referred to the Committee on Ways and Means -- recommitted to the Committee on Ways and Means in accordance with Assembly Rule 3, sec. 2 -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the tax law and the education 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. The education of the children of this state is one of the founda-
6 tions of a strong society that requires an academically robust and
7 financially sound school system, both public and non-public;
8 b. At a time when the state is considering ways of reducing the tax
9 burden for New York state residents and educators are seeking an expan-
10 sion of financial resources, charitable giving for educational purposes
11 should be encouraged;

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

LBD07511-02-6

1 c. Permitting public education entities such as school districts and
2 individual public schools to accept and receive voluntary cash contrib-
3 utions will be beneficial to students, taxpayers and educators;

4 d. Encouraging voluntary support for education, without prejudice for
5 or against any state-sanctioned educational enterprise, promotes the
6 state's interest in providing the highest quality education to all chil-
7 dren in the state;

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

10 f. The intended beneficiaries of the tax credits provided in this act
11 are the students who attend public schools, students who further their
12 education using tuition scholarships from educational scholarship organ-
13 izations, and teachers who purchase with personal funds to supply their
14 students and classrooms, and who seek charitable donations for classroom
15 projects and initiatives;

16 g. Permitting educators to claim a credit for the purchase of class-
17 room instructional materials and supplies will insure a wider availabil-
18 ity of such materials and supplies for all students.

19 S 3. The tax law is amended by adding a new section 42 to read as
20 follows:

21 S 42. EDUCATION INVESTMENT TAX CREDIT. (A) DEFINITIONS. FOR THE
22 PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING
23 MEANINGS:

24 1. "AUTHORIZED CONTRIBUTION" MEANS THE CONTRIBUTION AMOUNT THAT IS
25 LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE
26 TAXPAYER.

27 2. "CONTRIBUTION" MEANS A DONATION PAID BY CASH, CHECK, ELECTRONIC
28 FUNDS TRANSFER, DEBIT CARD OR CREDIT CARD THAT IS MADE BY THE TAXPAYER
29 DURING THE TAXABLE YEAR.

30 3. "EDUCATIONAL PROGRAM" MEANS AN ACADEMIC PROGRAM OF A PUBLIC SCHOOL
31 THAT ENHANCES THE CURRICULUM OR ACADEMIC PROGRAM OF THE PUBLIC SCHOOL,
32 OR PROVIDES A PRE-KINDERGARTEN PROGRAM OR AN AFTER SCHOOL PROGRAM TO THE
33 PUBLIC SCHOOL. FOR PURPOSES OF THIS DEFINITION, THE INSTRUCTION, MATERI-
34 ALS, PROGRAMS AND OTHER ACTIVITIES OFFERED BY OR THROUGH AN EDUCATIONAL
35 PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING FEATURES: (I)
36 INSTRUCTION OR MATERIALS PROMOTING HEALTH, PHYSICAL EDUCATION, AND FAMI-
37 LY AND CONSUMER SCIENCES; LITERARY, PERFORMING AND VISUAL ARTS; MATH-
38 EMATICS, SOCIAL STUDIES, TECHNOLOGY AND SCIENTIFIC ACHIEVEMENT; (II)
39 INSTRUCTION OR PROGRAMMING TO MEET THE EDUCATION NEEDS OF AT-RISK
40 STUDENTS OR STUDENTS WITH DISABILITIES, INCLUDING TUTORING OR COUN-
41 SELING; OR (III) THE USE OF SPECIALIZED INSTRUCTIONAL MATERIALS,
42 INSTRUCTORS OR INSTRUCTION NOT PROVIDED BY A PUBLIC SCHOOL.

43 4. "EDUCATIONAL SCHOLARSHIP ORGANIZATION" MEANS AN ENTITY THAT (I) IS
44 EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION
45 FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) COMMITS FOR THE
46 EXPENDITURE OF AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS
47 RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM SUCH QUAL-
48 IFIED CONTRIBUTIONS FOR SCHOLARSHIPS, (III) PROVIDES MORE THAN FIFTY
49 PERCENT OF ITS SCHOLARSHIPS DURING A CALENDAR YEAR TO ELIGIBLE PUPILS
50 WHO RESIDE IN A HOUSEHOLD THAT HAS AN INCOME NOT TO EXCEED ONE HUNDRED
51 FIFTY PERCENT OF THE INCOME QUALIFICATION REQUIRED FOR THE REDUCED PRICE
52 SCHOOL LUNCHEES UNDER THE NATIONAL SCHOOL LUNCH ACT, PROVIDED HOWEVER,
53 FOR THE PURPOSES OF AN EDUCATIONAL SCHOLARSHIP ORGANIZATION FULFILLING
54 SUCH REQUIREMENT, AN EDUCATIONAL SCHOLARSHIP ORGANIZATION MAY ENTER INTO
55 AN AGREEMENT WITH ANOTHER EDUCATIONAL SCHOLARSHIP ORGANIZATION OR ORGAN-
56 IZATIONS TO JOINTLY REPORT THEIR SCHOLARSHIP INFORMATION TO MEET SUCH

1 REQUIREMENT, (IV) PROVIDES SCHOLARSHIPS TO ELIGIBLE PUPILS FOR USE AT
2 NOT FEWER THAN THREE NON-PUBLIC SCHOOLS, (V) DEPOSITS AND HOLDS QUALI-
3 FIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS
4 IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR
5 OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN
6 FOR USE, AND (VI) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND
7 ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE
8 EDUCATION LAW.

9 5. "ELIGIBLE PUPIL" MEANS A CHILD WHO (I) IS A RESIDENT, (II) IS OF
10 SCHOOL AGE IN ACCORDANCE WITH SUBDIVISION ONE OF SECTION THIRTY-TWO
11 HUNDRED TWO OF THE EDUCATION LAW OR WHO IS FOUR YEARS OF AGE ON OR
12 BEFORE DECEMBER FIRST OF THE YEAR IN WHICH SUCH CHILD IS ENROLLED IN A
13 PRE-KINDERGARTEN PROGRAM, (III) ATTENDS OR IS ABOUT TO ATTEND A QUALI-
14 FIED SCHOOL, AND (IV) RESIDES IN A HOUSEHOLD THAT HAS A FEDERAL ADJUSTED
15 GROSS INCOME OF TWO HUNDRED FIFTY THOUSAND DOLLARS OR LESS, PROVIDED
16 HOWEVER, FOR HOUSEHOLDS WITH THREE OR MORE DEPENDENT CHILDREN, SUCH
17 INCOME LEVEL SHALL BE INCREASED BY TEN THOUSAND DOLLARS PER DEPENDENT
18 CHILD IN EXCESS OF TWO CHILDREN, NOT TO EXCEED THREE HUNDRED THOUSAND
19 DOLLARS.

20 6. "LOCAL EDUCATION FUND" MEANS A NOT-FOR-PROFIT ENTITY WHICH (I) IS
21 EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION
22 FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) IS ESTABLISHED FOR
23 THE PURPOSE OF SUPPORTING AT LEAST ONE PUBLIC SCHOOL OR A PUBLIC SCHOOL
24 DISTRICT, (III) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIB-
25 UTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM
26 SUCH QUALIFIED CONTRIBUTIONS TO SUPPORT THE PUBLIC SCHOOL OR SCHOOLS OR
27 PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED
28 TO SUPPORT, (IV) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY
29 INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPA-
30 RATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED
31 CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (V) IS APPROVED TO
32 RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT
33 PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW.

34 7. "NON-PUBLIC SCHOOL" MEANS ANY NOT-FOR-PROFIT PRE-KINDERGARTEN
35 PROGRAM OR ELEMENTARY OR SECONDARY SECTARIAN OR NONSECTARIAN SCHOOL
36 LOCATED IN THIS STATE, OTHER THAN A PUBLIC SCHOOL, THAT PROVIDES
37 INSTRUCTION AT ONE OR MORE LOCATIONS TO STUDENTS IN ACCORDANCE WITH
38 SUBDIVISION TWO OF SECTION THIRTY-TWO HUNDRED FOUR OF THE EDUCATION LAW.

39 8. "PUBLIC EDUCATION ENTITY" MEANS A PUBLIC SCHOOL OR A PUBLIC SCHOOL
40 DISTRICT, PROVIDED THAT SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT (I)
41 DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM
42 SUCH QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE
43 PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL
44 SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE AND (II) IS
45 APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE
46 TWENTY-FIVE OF THE EDUCATION LAW.

47 9. "PUBLIC SCHOOL" MEANS ANY FREE ELEMENTARY OR SECONDARY SCHOOL IN
48 THIS STATE PURSUANT TO ARTICLE ELEVEN OF THE CONSTITUTION, BUT SHALL NOT
49 INCLUDE A CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF THE EDUCA-
50 TION LAW.

51 10. "QUALIFIED CONTRIBUTION" MEANS THE AUTHORIZED CONTRIBUTION MADE BY
52 A TAXPAYER TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZA-
53 TION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION FOR
54 WHICH THE CONTRIBUTION AUTHORIZATION CERTIFICATE HAS BEEN ISSUED TO THE
55 TAXPAYER FOR WHICH THE TAXPAYER HAS RECEIVED A CERTIFICATE OF RECEIPT
56 FROM SUCH ENTITY, FUND OR ORGANIZATION. A CONTRIBUTION DOES NOT QUALIFY

1 IF THE TAXPAYER DESIGNATES THE TAXPAYER'S CONTRIBUTION TO AN ENTITY OR
2 ORGANIZATION FOR THE DIRECT BENEFIT OF ANY PARTICULAR OR SPECIFIED
3 STUDENT.

4 11. "QUALIFIED EDUCATOR" MEANS AN INDIVIDUAL WHO IS A TEACHER OR
5 INSTRUCTOR IN A QUALIFIED SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING
6 A SCHOOL YEAR.

7 12. "QUALIFIED SCHOOL" MEANS A PUBLIC SCHOOL OR NON-PUBLIC SCHOOL
8 LOCATED IN THIS STATE.

9 13. "SCHOLARSHIP" MEANS AN EDUCATIONAL SCHOLARSHIP WHICH PROVIDES A
10 TUITION GRANT AWARDED TO AN ELIGIBLE PUPIL TO ATTEND A QUALIFIED SCHOOL
11 IN AN AMOUNT NOT TO EXCEED THE TUITION CHARGED TO ATTEND SUCH SCHOOL
12 LESS ANY OTHER EDUCATIONAL SCHOLARSHIP OR TUITION GRANT RECEIVED BY SUCH
13 ELIGIBLE PUPIL OR HIS OR HER PARENT, PARENTS, LEGAL GUARDIAN, OR LEGAL
14 GUARDIANS FOR SUCH ELIGIBLE PUPIL'S TUITION; PROVIDED, HOWEVER, IN THE
15 CASE OF AN ELIGIBLE PUPIL ATTENDING A PUBLIC SCHOOL IN A DISTRICT OF
16 WHICH SUCH PUPIL IS NOT A RESIDENT, THE AMOUNT OF THE EDUCATIONAL SCHOL-
17 ARSHIP AWARDED MAY NOT EXCEED THE TUITION CHARGED BY THE PUBLIC SCHOOL
18 PURSUANT TO PARAGRAPH D OF SUBDIVISION FOUR OF SECTION THIRTY-TWO
19 HUNDRED TWO OF THE EDUCATION LAW, BUT ONLY IF THE SCHOOL DISTRICT OF
20 WHICH SUCH PUPIL IS A RESIDENT IS NOT REQUIRED TO PAY FOR SUCH TUITION.

21 14. "SCHOOL IMPROVEMENT ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY
22 WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION
23 (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES
24 AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING
25 THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS
26 DURING SUCH MONTHS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS
27 LOCATED IN THIS STATE IN THEIR PROVISION OF EDUCATIONAL PROGRAMS, EITHER
28 BY MAKING CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL
29 DISTRICTS LOCATED IN THIS STATE OR PROVIDING EDUCATIONAL PROGRAMS TO, OR
30 IN CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL
31 DISTRICTS LOCATED IN THIS STATE, (III) DEPOSITS AND HOLDS QUALIFIED
32 CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN
33 ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER
34 FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR
35 USE, AND (IV) IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO
36 ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. SUCH TERM INCLUDES A PRE-KIN-
37 DERGARTEN PROGRAM OR NOT-FOR-PROFIT ENTITY THAT ALLOWS THE TAXPAYER TO
38 CHOOSE TO DONATE TO A PROGRAM, PROJECT OR INITIATIVE IDENTIFIED BY A
39 QUALIFIED EDUCATOR FOR USE IN A PUBLIC SCHOOL.

40 (B) ALLOWANCE OF CREDIT. A TAXPAYER SUBJECT TO TAX UNDER ARTICLE
41 NINE-A OR TWENTY-TWO OF THIS CHAPTER SHALL BE ALLOWED AN EDUCATION
42 INVESTMENT TAX CREDIT AGAINST SUCH TAX, PURSUANT TO THE PROVISIONS
43 REFERENCED IN SUBDIVISION (L) OF THIS SECTION, WITH RESPECT TO QUALIFIED
44 CONTRIBUTIONS MADE DURING THE TAXABLE YEAR.

45 (C) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL BE SEVENTY-FIVE
46 PERCENT OF THE TAXPAYER'S TOTAL QUALIFIED CONTRIBUTIONS, CAPPED AT ONE
47 MILLION DOLLARS. A TAXPAYER THAT IS A PARTNER IN A PARTNERSHIP, MEMBER
48 OF A LIMITED LIABILITY COMPANY OR SHAREHOLDER IN AN S CORPORATION SHALL
49 BE ALLOWED TO CLAIM ITS PRO RATA SHARE OF THE CREDIT EARNED BY THE PART-
50 NERSHIP, LIMITED LIABILITY COMPANY OR S CORPORATION, PROVIDED THAT SUCH
51 A TAXPAYER SHALL NOT CLAIM CREDIT IN EXCESS OF THE LIMIT IMPOSED BY THIS
52 SUBDIVISION.

53 (D) INFORMATION TO BE POSTED ON THE DEPARTMENT'S WEBSITE. THE COMMIS-
54 SIONER SHALL MAINTAIN ON THE DEPARTMENT'S WEBSITE A RUNNING TOTAL OF THE
55 AMOUNT OF AVAILABLE CREDIT FOR WHICH TAXPAYERS MAY APPLY PURSUANT TO
56 THIS SECTION. SUCH RUNNING TOTAL SHALL BE UPDATED ON A DAILY BASIS.

1 ADDITIONALLY, THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S
2 WEBSITE A LIST OF THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION
3 FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS APPROVED TO ISSUE
4 CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION
5 LAW. THE COMMISSIONER SHALL ALSO MAINTAIN ON THE DEPARTMENT'S WEBSITE A
6 LIST OF PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS,
7 LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS WHOSE
8 APPROVAL TO ISSUE CERTIFICATES OF RECEIPT HAS BEEN REVOKED ALONG WITH
9 THE DATE OF REVOCATION.

10 (E) APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES. PRIOR TO
11 MAKING A CONTRIBUTION TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT
12 ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZA-
13 TION, THE TAXPAYER SHALL APPLY TO THE DEPARTMENT FOR A CONTRIBUTION
14 AUTHORIZATION CERTIFICATE FOR SUCH CONTRIBUTION. SUCH APPLICATION SHALL
15 BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT
16 MAY ALLOW TAXPAYERS TO MAKE MULTIPLE APPLICATIONS ON THE SAME FORM,
17 PROVIDED THAT EACH CONTRIBUTION LISTED ON SUCH APPLICATION SHALL BE
18 TREATED AS A SEPARATE APPLICATION AND THAT THE DEPARTMENT SHALL ISSUE
19 SEPARATE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR EACH SUCH APPLICA-
20 TION.

21 (F) CONTRIBUTION AUTHORIZATION CERTIFICATES. 1. ISSUANCE OF CERTIF-
22 ICATES. THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIF-
23 ICATES IN TWO PHASES. IN PHASE ONE, WHICH BEGINS ON THE FIRST DAY OF
24 JANUARY AND ENDS ON THE THIRTY-FIRST DAY OF JANUARY, THE COMMISSIONER
25 SHALL ACCEPT APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES.
26 COMMENCING AFTER THE FIFTH DAY OF FEBRUARY, THE COMMISSIONER SHALL ISSUE
27 CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING
28 PHASE ONE, PROVIDED THAT IF THE AGGREGATE TOTAL OF THE CONTRIBUTIONS FOR
29 WHICH APPLICATIONS HAVE BEEN RECEIVED DURING PHASE ONE EXCEEDS THE
30 AMOUNT OF THE CREDIT CAP IN SUBDIVISION (H) OF THIS SECTION, THE AUTHOR-
31 IZED CONTRIBUTION AMOUNT LISTED ON EACH CONTRIBUTION AUTHORIZATION
32 CERTIFICATE SHALL EQUAL THE PRO-RATA SHARE OF THE CREDIT CAP. IF THE
33 CREDIT CAP IS NOT EXCEEDED, PHASE TWO COMMENCES ON FEBRUARY FIRST AND
34 ENDS ON DECEMBER THIRTY-FIRST. THE COMMISSIONER SHALL ISSUE CONTRIBUTION
35 AUTHORIZATION CERTIFICATES ON A FIRST-COME, FIRST SERVE BASIS BASED UPON
36 THE DATE THE DEPARTMENT RECEIVED THE TAXPAYER'S APPLICATION FOR SUCH
37 CERTIFICATE. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS
38 RECEIVED DURING PHASE ONE SHALL BE MAILED NO LATER THAN THE TWENTIETH
39 DAY OF FEBRUARY. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICA-
40 TIONS RECEIVED DURING PHASE TWO SHALL BE MAILED WITHIN TWENTY DAYS OF
41 RECEIPT OF SUCH APPLICATIONS. PROVIDED HOWEVER, THAT NO CONTRIBUTION
42 AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE TWO
43 SHALL BE ISSUED UNTIL ALL OF THE CONTRIBUTION AUTHORIZATION CERTIFICATES
44 FOR APPLICATIONS RECEIVED DURING PHASE ONE HAVE BEEN ISSUED.

45 2. CONTRIBUTION AUTHORIZATION CERTIFICATE CONTENTS. EACH CONTRIBUTION
46 AUTHORIZATION CERTIFICATE SHALL STATE (I) THE DATE SUCH CERTIFICATE WAS
47 ISSUED, (II) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTIONS LISTED IN
48 THE CERTIFICATE MUST BE MADE, WHICH SHALL BE NO LATER THAN DECEMBER
49 THIRTY-FIRST OF THE YEAR FOR WHICH THE CONTRIBUTION AUTHORIZATION
50 CERTIFICATE WAS ISSUED, (III) THE TAXPAYER'S NAME AND ADDRESS, (IV) THE
51 AMOUNT OF AUTHORIZED CONTRIBUTIONS, (V) THE CONTRIBUTION AUTHORIZATION
52 CERTIFICATE'S CERTIFICATE NUMBER, (VI) THE NAME AND ADDRESS OF THE
53 PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCA-
54 TION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION FOR WHICH THE TAXPAYER
55 MAY MAKE THE AUTHORIZED CONTRIBUTION, AND (VII) ANY OTHER INFORMATION
56 THAT THE COMMISSIONER DEEMS NECESSARY.

1 3. NOTIFICATION OF THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION
2 CERTIFICATE. UPON ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE,
3 THE COMMISSIONER SHALL NOTIFY THE EDUCATIONAL SCHOLARSHIP ORGANIZATION,
4 PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION OR LOCAL EDUCA-
5 TION FUND OF THE ISSUANCE OF THE CONTRIBUTION AUTHORIZATION CERTIFICATE
6 TO A TAXPAYER. SUCH NOTIFICATION SHALL INCLUDE (I) THE TAXPAYER'S NAME
7 AND ADDRESS, (II) THE DATE SUCH CERTIFICATE WAS ISSUED, (III) THE DATE
8 BY WHICH THE AUTHORIZED CONTRIBUTION LISTED IN THE NOTIFICATION MUST BE
9 MADE BY THE TAXPAYER, (IV) THE AMOUNT OF THE AUTHORIZED CONTRIBUTION,
10 (V) CONTRIBUTION AUTHORIZATION CERTIFICATE, AND (VI) ANY OTHER INFORMA-
11 TION THAT THE COMMISSIONER DEEMS NECESSARY.

12 (G) CERTIFICATE OF RECEIPT. 1. IN GENERAL. NO PUBLIC EDUCATION ENTITY,
13 SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL
14 SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR ANY
15 CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY,
16 SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL
17 SCHOLARSHIP ORGANIZATION HAS BEEN APPROVED TO ISSUE CERTIFICATES OF
18 RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. NO PUBLIC
19 EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND,
20 OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF
21 RECEIPT FOR A CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCA-
22 TION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR
23 EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS RECEIVED NOTICE FROM THE
24 DEPARTMENT THAT THE DEPARTMENT ISSUED A CREDIT AUTHORIZATION CERTIFICATE
25 TO THE TAXPAYER FOR SUCH CONTRIBUTION.

26 2. TIMELY CONTRIBUTION. IF A TAXPAYER MAKES AN AUTHORIZED CONTRIBUTION
27 TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL
28 EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SET FORTH ON THE
29 AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER NO LATER THAN THE DATE
30 BY WHICH SUCH AUTHORIZED CONTRIBUTION IS REQUIRED TO BE MADE, SUCH
31 PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCA-
32 TION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY
33 DAYS OF RECEIPT OF THE AUTHORIZED CONTRIBUTION, ISSUE TO THE TAXPAYER A
34 WRITTEN CERTIFICATE OF RECEIPT; PROVIDED, HOWEVER, THAT IF THE TAXPAYER
35 CONTRIBUTES AN AMOUNT THAT IS LESS THAN THE AMOUNT LISTED ON THE TAXPAY-
36 ER'S CONTRIBUTION AUTHORIZATION CERTIFICATE, THE TAXPAYER SHALL NOT BE
37 ISSUED A CERTIFICATE OF RECEIPT FOR SUCH CONTRIBUTION.

38 3. CERTIFICATE OF RECEIPT CONTENTS. EACH CERTIFICATE OF RECEIPT SHALL
39 STATE (I) THE NAME AND ADDRESS OF THE ISSUING PUBLIC EDUCATION ENTITY,
40 SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL
41 SCHOLARSHIP ORGANIZATION, (II) THE TAXPAYER'S NAME AND ADDRESS, (III)
42 THE DATE FOR EACH CONTRIBUTION, (IV) THE AMOUNT OF EACH CONTRIBUTION AND
43 THE CORRESPONDING CONTRIBUTION AUTHORIZATION CERTIFICATE NUMBER, (V) THE
44 TOTAL AMOUNT OF CONTRIBUTIONS, AND (VI) ANY OTHER INFORMATION THAT THE
45 COMMISSIONER MAY DEEM NECESSARY.

46 4. NOTIFICATION TO THE DEPARTMENT FOR THE ISSUANCE OF A CERTIFICATE OF
47 RECEIPT. UPON THE ISSUANCE OF A CERTIFICATE OF RECEIPT, THE ISSUING
48 PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCA-
49 TION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY
50 DAYS OF ISSUING THE CERTIFICATE OF RECEIPT, PROVIDE THE DEPARTMENT WITH
51 NOTIFICATION OF THE ISSUANCE OF SUCH CERTIFICATE IN THE FORM AND MANNER
52 PRESCRIBED BY THE DEPARTMENT.

53 5. NOTIFICATION TO THE DEPARTMENT OF THE NON-ISSUANCE OF A CERTIFICATE
54 OF RECEIPT. EACH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZA-
55 TION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT
56 RECEIVED NOTIFICATION FROM THE DEPARTMENT PURSUANT TO SUBDIVISION (D) OF

THIS SECTION REGARDING THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE TO A TAXPAYER SHALL, WITHIN THIRTY DAYS OF THE EXPIRATION DATE FOR SUCH AUTHORIZED CONTRIBUTION, PROVIDE NOTIFICATION TO THE DEPARTMENT FOR EACH TAXPAYER THAT FAILED TO MAKE THE AUTHORIZED CONTRIBUTION TO SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

6. FAILURE TO NOTIFY THE DEPARTMENT. WITHIN THIRTY DAYS OF DISCOVERY OF THE FAILURE OF ANY PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION TO COMPLY WITH THE NOTIFICATION REQUIREMENTS PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION, THE COMMISSIONER SHALL ISSUE A NOTICE OF COMPLIANCE FAILURE TO SUCH ENTITY, PROGRAM FUND OR ORGANIZATION. SUCH ENTITY, PROGRAM FUND OR ORGANIZATION SHALL HAVE THIRTY DAYS FROM THE DATE OF SUCH NOTICE TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION. SUCH PERIOD MAY BE EXTENDED FOR AN ADDITIONAL THIRTY DAYS UPON THE REQUEST OF THE ENTITY, PROGRAM FUND OR ORGANIZATION. UPON THE EXPIRATION OF THE PERIOD FOR COMPLIANCE SET FORTH IN THE NOTICE PRESCRIBED BY THIS PARAGRAPH, THE COMMISSIONER SHALL NOTIFY THE BOARD OF REGENTS AND THE COMMISSIONER OF EDUCATION THAT SUCH ENTITY, PROGRAM FUND OR ORGANIZATION FAILED TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION.

(H) CREDIT CAP. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE TO ALL TAXPAYERS FOR QUALIFIED CONTRIBUTIONS FOR CALENDAR YEAR TWO THOUSAND SEVENTEEN SHALL BE ONE HUNDRED FIFTY MILLION DOLLARS. IN CALENDAR YEAR TWO THOUSAND EIGHTEEN, THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE TO ALL TAXPAYERS SHALL BE TWO HUNDRED TWENTY-FIVE MILLION DOLLARS PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE CAP PURSUANT TO SUBDIVISION (I) OF THIS SECTION. FOR CALENDAR YEAR TWO THOUSAND NINETEEN AND EACH CALENDAR YEAR THEREAFTER, THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE TO ALL TAXPAYERS SHALL BE THREE HUNDRED MILLION DOLLARS, PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE CAP PURSUANT TO SUBDIVISION (I) OF THIS SECTION. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION FOR QUALIFIED CONTRIBUTIONS SHALL BE ALLOCATED FIFTY PERCENT TO PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, AND LOCAL EDUCATION FUNDS AND FIFTY PERCENT TO EDUCATIONAL SCHOLARSHIP ORGANIZATIONS.

(I) ADDITIONS TO THE CREDIT CAP. UNISSUED CERTIFICATES OF RECEIPT. ANY AMOUNTS FOR WHICH THE DEPARTMENT RECEIVES NOTIFICATION OF NON-ISSUANCE OF A CERTIFICATE OF RECEIPT SHALL BE ADDED TO THE CAP PRESCRIBED IN SUBDIVISION (H) OF THIS SECTION FOR THE IMMEDIATELY FOLLOWING YEAR.

(J) REGULATIONS. THE COMMISSIONER IS HEREBY AUTHORIZED TO PROMULGATE AND ADOPT ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION.

(K) REPORTS. 1. REPORTS TO THE COMMISSIONER. ON OR BEFORE THE LAST DAY OF FEBRUARY FOR EACH CALENDAR YEAR, EACH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, AND EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT ISSUED ONE OR MORE CERTIFICATES OF RECEIPT SHALL REPORT TO THE COMMISSIONER THE NUMBER OF SUCH CERTIFICATES ISSUED AND THE AGGREGATE AMOUNT OF QUALIFIED CONTRIBUTIONS MADE TO SUCH ENTITY, FUND, OR ORGANIZATION DURING THE IMMEDIATELY PRECEDING CALENDAR YEAR.

2. JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF JUNE FOR EACH CALENDAR YEAR, FOR THE IMMEDIATELY PRECEDING YEAR, THE COMMISSIONER AND THE COMMISSIONER OF EDUCATION SHALL JOINTLY SUBMIT A WRITTEN REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE AND THE CHAIRMAN

1 OF THE ASSEMBLY WAYS AND MEANS COMMITTEE REGARDING THE CREDIT. SUCH
2 REPORT SHALL CONTAIN INFORMATION FOR ARTICLES NINE-A AND TWENTY-TWO,
3 RESPECTIVELY, REGARDING: (I) THE NUMBER OF APPLICATIONS RECEIVED; (II)
4 THE NUMBER OF AND AGGREGATE VALUE OF THE CONTRIBUTION AUTHORIZATION
5 CERTIFICATES ISSUED FOR CONTRIBUTIONS TO PUBLIC EDUCATION ENTITIES,
6 SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND SCHOLARSHIP
7 ORGANIZATIONS, RESPECTIVELY; (III) THE GEOGRAPHICAL DISTRIBUTION BY
8 COUNTY OF (A) THE APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFI-
9 ICATES, DISTRIBUTION BY COUNTY OF (B) THE PUBLIC EDUCATION ENTITIES,
10 SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL
11 SCHOLARSHIP ORGANIZATIONS LISTED ON THE ISSUED CONTRIBUTION AUTHORI-
12 ZATION CERTIFICATES; AND (IV) INFORMATION, INCLUDING GEOGRAPHICAL
13 DISTRIBUTION BY COUNTY, OF THE NUMBER OF ELIGIBLE PUPILS THAT RECEIVED
14 SCHOLARSHIPS, THE NUMBER OF ELIGIBLE PUPILS THAT RESIDE IN A HOUSEHOLD
15 THAT HAS AN INCOME NOT TO EXCEED ONE HUNDRED FIFTY PERCENT OF THE INCOME
16 QUALIFICATION REQUIRED FOR THE REDUCED PRICE SCHOOL LUNCHES UNDER THE
17 NATIONAL SCHOOL LUNCH ACT, THE NUMBER OF QUALIFIED SCHOOLS ATTENDED BY
18 ELIGIBLE PUPILS THAT RECEIVED SUCH SCHOLARSHIPS, AND THE AVERAGE VALUE
19 OF SCHOLARSHIPS RECEIVED BY SUCH ELIGIBLE PUPILS. THE COMMISSIONER AND
20 DESIGNATED EMPLOYEES OF THE STATE EDUCATION DEPARTMENT, THE BOARD OF
21 REGENTS AND ALL MEMBERS OF THE BOARD OF REGENTS, INCLUDING THE COMMIS-
22 SIONER OF EDUCATION AND DESIGNATED EMPLOYEES OF THE STATE EDUCATION
23 DEPARTMENT, SHALL BE ALLOWED AND ARE DIRECTED TO SHARE AND EXCHANGE
24 INFORMATION REGARDING THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCA-
25 TION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS THAT APPLIED FOR
26 APPROVAL TO BE AUTHORIZED TO RECEIVE QUALIFIED CONTRIBUTIONS; AND THE
27 PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL
28 EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AUTHORIZED TO
29 ISSUE CERTIFICATES OF RECEIPT, INCLUDING INFORMATION CONTAINED IN OR
30 DERIVED FROM APPLICATION FORMS AND REPORTS SUBMITTED TO THE STATE EDUCA-
31 TION DEPARTMENT OR BOARD OF REGENTS.

32 (L) CROSS REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR IN
33 THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:

34 1. ARTICLE 9-A: SECTION 210-B; SUBDIVISION 49;

35 2. ARTICLE 22: SECTION 606; SUBSECTIONS (I) AND (CCC).

36 S 4. Paragraph (b) of subdivision 9 of section 208 of the tax law is
37 amended by adding a new subparagraph 22 to read as follows:

38 (22) THE AMOUNT OF ANY DEDUCTION ALLOWED PURSUANT TO SECTION ONE
39 HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE FOR WHICH CREDIT IS CLAIMED
40 PURSUANT TO SUBDIVISION FORTY-NINE OF SECTION TWO HUNDRED TEN-B OF THIS
41 ARTICLE.

42 S 5. Section 210-B of the tax law is amended by adding a new subdivi-
43 sion 49 to read as follows:

44 49. EDUCATION INVESTMENT TAX CREDIT. (A) ALLOWANCE OF CREDIT. A
45 TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN
46 SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTI-
47 CLE.

48 (B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION
49 FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS
50 THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPH (D) OF SUBDIVI-
51 SION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE. HOWEVER, IF THE
52 AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR QUALIFIED CONTRIB-
53 UCTIONS FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT
54 OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER
55 TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX
56 FOR SUCH YEAR OR YEARS.

S 6. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xli) to read as follows:

(XLI) EDUCATION INVESTMENT	AMOUNT OF CREDIT UNDER SUBDIVISION
TAX CREDIT UNDER SUBSECTION (CCC)	FORTY-NINE OF SECTION TWO HUNDRED
	TEN-B

S 7. Section 606 of the tax law is amended by adding a new subsection (w) to read as follows:

(W) INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. (1) FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT IN THE AMOUNT PAID BY THE TAXPAYER DURING THE TAXABLE YEAR FOR INSTRUCTIONAL MATERIALS AND SUPPLIES WITH RESPECT TO CLASSROOM BASED INSTRUCTION IN A QUALIFIED SCHOOL, OR TWO HUNDRED DOLLARS, WHICHEVER IS LESS; PROVIDED THAT THE TAXPAYER IS A TEACHER OR INSTRUCTOR IN A QUALIFIED SCHOOL, AS DEFINED IN SECTION FORTY-TWO OF THIS CHAPTER, FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR. FOR PURPOSES OF THIS SUBSECTION, THE TERM "MATERIALS AND SUPPLIES" MEANS AMOUNTS PAID FOR INSTRUCTIONAL MATERIALS OR SUPPLIES THAT ARE DESIGNATED FOR CLASSROOM USE IN ANY QUALIFIED SCHOOL.

(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 AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

S 8. Section 606 of the tax law is amended by adding a new subsection (ccc) to read as follows:

(CCC) EDUCATION INVESTMENT TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY QUALIFIED CONTRIBUTIONS FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 9. Subsection (c) of section 615 of the tax law is amended by adding a new paragraph 9 to read as follows:

(9) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR CONTRIBUTIONS MADE FOR WHICH A TAXPAYER CLAIMS A CREDIT UNDER SUBSECTION (KK) OF SECTION SIX HUNDRED SIX OF THIS ARTICLE.

S 10. The education law is amended by adding a new article 25 to read as follows:

ARTICLE 25

EDUCATION INVESTMENT TAX CREDIT PROGRAM

SECTION 1209. SHORT TITLE.

1210. DEFINITIONS.

1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.

1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.

1213. APPLICATION APPROVAL.

1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.

1215. REPORTING AND RECORDKEEPING.

1216. JOINT ANNUAL REPORT.

1217. COMMISSIONER; POWERS.

1 S 1209. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS
2 THE "EDUCATION INVESTMENT TAX CREDIT PROGRAM".

3 S 1210. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS
4 SHALL HAVE THE FOLLOWING MEANINGS:

5 1. "AUTHORIZED CONTRIBUTION" MEANS THE CONTRIBUTION AMOUNT LISTED ON
6 THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO A TAXPAYER.

7 2. "CONTRIBUTION" MEANS A DONATION PAID BY CASH, CHECK, ELECTRONIC
8 FUNDS TRANSFER, DEBIT CARD OR CREDIT CARD MADE BY THE TAXPAYER DURING
9 THE TAX YEAR.

10 3. "EDUCATIONAL PROGRAM" MEANS AN ACADEMIC PROGRAM OF A PUBLIC SCHOOL
11 THAT ENHANCES THE CURRICULUM OR ACADEMIC PROGRAM OF THE PUBLIC SCHOOL,
12 OR PROVIDES OR EXPANDS A PRE-KINDERGARTEN PROGRAM OR AN AFTER SCHOOL
13 PROGRAM TO THE PUBLIC SCHOOL. FOR PURPOSES OF THIS DEFINITION, THE
14 INSTRUCTION, MATERIALS, PROGRAMS OR OTHER ACTIVITIES OFFERED BY OR
15 THROUGH AN EDUCATIONAL PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO, THE
16 FOLLOWING FEATURES: (A) INSTRUCTION OR MATERIALS PROMOTING HEALTH, PHYS-
17 ICAL EDUCATION, AND FAMILY AND CONSUMER SCIENCES; LITERARY, PERFORMING
18 AND VISUAL ARTS; MATHEMATICS, SOCIAL STUDIES, TECHNOLOGY AND SCIENTIFIC
19 ACHIEVEMENT; (B) INSTRUCTION OR PROGRAMMING TO MEET THE EDUCATION NEEDS
20 OF AT-RISK STUDENTS OR STUDENTS WITH DISABILITIES, INCLUDING TUTORING OR
21 COUNSELING; OR (C) USE OF SPECIALIZED INSTRUCTIONAL MATERIALS, INSTRU-
22 TIONS OR INSTRUCTION NOT PROVIDED BY A PUBLIC SCHOOL.

23 4. "EDUCATIONAL SCHOLARSHIP ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTI-
24 TY WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION
25 (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II)
26 COMMITS FOR THE EXPENDITURE OF OR DESIGNATES AT LEAST NINETY PERCENT OF
27 THE REVENUE FROM QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR
28 YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS FOR SCHOLAR-
29 SHIPS, (III) PROVIDES MORE THAN FIFTY PERCENT OF ITS SCHOLARSHIPS DURING
30 A CALENDAR YEAR TO ELIGIBLE PUPILS WHO RESIDE IN A HOUSEHOLD THAT HAS AN
31 INCOME NOT TO EXCEED ONE HUNDRED FIFTY PERCENT OF THE INCOME QUALIFICA-
32 TION REQUIRED FOR THE REDUCED PRICE SCHOOL LUNCHES UNDER THE NATIONAL
33 SCHOOL LUNCH ACT, PROVIDED HOWEVER FOR THE PURPOSES OF AN EDUCATIONAL
34 SCHOLARSHIP ORGANIZATION FULFILLING SUCH REQUIREMENT, AN EDUCATIONAL
35 SCHOLARSHIP ORGANIZATION MAY ENTER INTO AN AGREEMENT WITH ANOTHER EDUCA-
36 TIONAL SCHOLARSHIP ORGANIZATION OR ORGANIZATIONS TO JOINTLY REPORT THEIR
37 SCHOLARSHIP INFORMATION TO MEET SUCH REQUIREMENT; (IV) DEPOSITS AND
38 HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED
39 CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S
40 OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME
41 ARE WITHDRAWN FOR USE, AND (V) PROVIDES SCHOLARSHIPS TO ELIGIBLE PUPILS
42 FOR USE AT NOT FEWER THAN THREE NON-PUBLIC SCHOOLS.

43 5. "ELIGIBLE PUPIL" MEANS A CHILD WHO (I) IS A RESIDENT OF THIS STATE,
44 (II) IS SCHOOL AGE IN ACCORDANCE WITH SUBDIVISION ONE OF SECTION THIR-
45 TY-TWO HUNDRED TWO OF THIS CHAPTER OR WHO IS FOUR YEARS OF AGE ON OR
46 BEFORE DECEMBER FIRST OF THE YEAR IN WHICH THEY ARE ENROLLED IN A
47 PRE-KINDERGARTEN PROGRAM, (III) ATTENDS OR IS ABOUT TO ATTEND A QUALI-
48 FIED SCHOOL, AND (IV) RESIDES IN A HOUSEHOLD WHICH HAS A FEDERAL
49 ADJUSTED GROSS INCOME OF TWO HUNDRED FIFTY THOUSAND DOLLARS OR LESS,
50 PROVIDED HOWEVER, FOR HOUSEHOLDS WITH THREE OR MORE DEPENDENT CHILDREN,
51 SUCH INCOME LEVEL SHALL BE INCREASED BY TEN THOUSAND DOLLARS PER DEPEND-
52 ENT CHILD IN EXCESS OF TWO CHILDREN, NOT TO EXCEED THREE HUNDRED THOU-
53 SAND DOLLARS.

54 6. "LOCAL EDUCATION FUND" MEANS A NOT-FOR-PROFIT ENTITY WHICH (I) IS
55 EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION
56 FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) IS ESTABLISHED FOR

1 THE PURPOSE OF SUPPORTING AT LEAST ONE PUBLIC SCHOOL, OR A PUBLIC SCHOOL
2 DISTRICT, (III) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIB-
3 UTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM
4 SUCH QUALIFIED CONTRIBUTIONS TO SUPPORT THE PUBLIC SCHOOL OR SCHOOLS OR
5 PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED
6 TO SUPPORT, AND (IV) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY
7 INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPA-
8 RATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED
9 CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE.

10 7. "NON-PUBLIC SCHOOL" MEANS ANY NOT-FOR-PROFIT PRE-KINDERGARTEN
11 PROGRAM OR ELEMENTARY, SECONDARY SECTARIAN OR NONSECTARIAN SCHOOL, OTHER
12 THAN A PUBLIC SCHOOL, THAT IS PROVIDING INSTRUCTION AT ONE OR MORE
13 LOCATIONS TO AN ELIGIBLE PUPIL IN ACCORDANCE WITH SUBDIVISION TWO OF
14 SECTION THIRTY-TWO HUNDRED FOUR OF THIS CHAPTER.

15 8. "PUBLIC EDUCATION ENTITY" MEANS A PUBLIC SCHOOL DISTRICT OR A
16 PUBLIC SCHOOL, PROVIDED THAT SUCH PUBLIC SCHOOL DISTRICT OR PUBLIC
17 SCHOOL DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED
18 FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE
19 PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL
20 SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE FROM OPER-
21 ATING OR OTHER FUNDS AND IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS
22 AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

23 9. "PUBLIC SCHOOL" MEANS ANY FREE ELEMENTARY OR SECONDARY SCHOOL IN
24 THIS STATE PURSUANT TO ARTICLE ELEVEN OF THE NEW YORK CONSTITUTION, BUT
25 SHALL NOT INCLUDE A CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF
26 THIS CHAPTER.

27 10. "QUALIFIED CONTRIBUTION" MEANS THE AUTHORIZED CONTRIBUTION MADE BY
28 A TAXPAYER TO A PUBLIC EDUCATION ENTITY, LOCAL EDUCATION FUND, SCHOOL
29 IMPROVEMENT DISTRICT OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT IS
30 LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE
31 TAXPAYER AND FOR WHICH THE TAXPAYER HAS RECEIVED A CERTIFICATE OF
32 RECEIPT FROM SUCH ENTITY, FUND, OR ORGANIZATION. A CONTRIBUTION DOES
33 NOT QUALIFY IF THE TAXPAYER DESIGNATES THE TAXPAYER'S CONTRIBUTION TO AN
34 ENTITY OR ORGANIZATION FOR THE DIRECT BENEFIT OF ANY PARTICULAR OR SPEC-
35 IFIED STUDENT.

36 11. "QUALIFIED EDUCATOR" MEANS AN INDIVIDUAL WHO IS A TEACHER OR
37 INSTRUCTOR IN A QUALIFIED SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING
38 A SCHOOL YEAR.

39 12. "QUALIFIED SCHOOL" MEANS A PUBLIC SCHOOL OR NON-PUBLIC SCHOOL
40 LOCATED IN THIS STATE.

41 13. "SCHOLARSHIP" MEANS AN EDUCATIONAL SCHOLARSHIP WHICH PROVIDES A
42 TUITION GRANT AWARDED TO AN ELIGIBLE PUPIL TO ATTEND A QUALIFIED SCHOOL
43 IN AN AMOUNT NOT TO EXCEED THE TUITION CHARGED TO ATTEND SUCH SCHOOL
44 LESS ANY OTHER EDUCATIONAL SCHOLARSHIP RECEIVED BY SUCH ELIGIBLE PUPIL
45 OR HIS OR HER PARENT, PARENTS, LEGAL GUARDIAN OR LEGAL GUARDIANS FOR
46 SUCH ELIGIBLE PUPIL'S TUITION; PROVIDED, HOWEVER, IN THE CASE OF AN
47 ELIGIBLE PUPIL ATTENDING A PUBLIC SCHOOL IN A DISTRICT OF WHICH SUCH
48 PUPIL IS NOT A RESIDENT, THE AMOUNT OF THE EDUCATIONAL SCHOLARSHIP
49 AWARDED MAY NOT EXCEED THE TUITION CHARGED BY THE PUBLIC SCHOOL PURSUANT
50 TO PARAGRAPH D OF SUBDIVISION FOUR OF SECTION THIRTY-TWO HUNDRED TWO OF
51 THIS CHAPTER LESS ANY OTHER EDUCATIONAL SCHOLARSHIP OR TUITION GRANT
52 RECEIVED BY SUCH ELIGIBLE PUPIL OR HIS OR HER PARENT, PARENTS, LEGAL
53 GUARDIAN OR LEGAL GUARDIANS FOR SUCH ELIGIBLE PUPIL'S TUITION, BUT ONLY
54 IF THE SCHOOL DISTRICT OF WHICH SUCH PUPIL IS A RESIDENT IS NOT REQUIRED
55 TO PAY FOR SUCH TUITION.

1 14. "SCHOOL IMPROVEMENT ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY
2 WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION
3 (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES
4 AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING
5 THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS
6 DURING SUCH MONTHS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS
7 LOCATED IN THIS STATE IN THEIR PROVISION OF EDUCATIONAL PROGRAMS, EITHER
8 BY MAKING CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL
9 DISTRICTS LOCATED IN THIS STATE OR PROVIDING EDUCATIONAL PROGRAMS TO, OR
10 IN CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL
11 DISTRICTS LOCATED IN THIS STATE, (III) DEPOSITS AND HOLDS QUALIFIED
12 CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN
13 ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER
14 FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR
15 USE, AND (IV) IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO
16 THIS ARTICLE. SUCH TERM INCLUDES A PRE-KINDERGARTEN PROGRAM OR NOT-FOR-
17 PROFIT ENTITY THAT ALLOWS THE TAXPAYER TO CHOOSE TO DONATE TO A PROGRAM,
18 PROJECT OR INITIATIVE IDENTIFIED BY A QUALIFIED EDUCATOR FOR USE IN A
19 PUBLIC SCHOOL.

20 S 1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. 1. PUBLIC SCHOOLS
21 AND PUBLIC SCHOOL DISTRICTS. ALL PUBLIC SCHOOLS AND PUBLIC SCHOOL
22 DISTRICTS SHALL BE APPROVED TO ISSUE CERTIFICATES OF RECEIPT PROVIDED,
23 THAT A PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT SHALL NOT BE APPROVED IF
24 EITHER (I) SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT FAILS TO DEPOSIT
25 AND HOLD QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED
26 CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE SCHOOL OR SCHOOL
27 DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS
28 OR INCOME ARE WITHDRAWN FOR USE, OR (II) THE BOARD OF REGENTS HAS
29 REVOKED SUCH APPROVAL FOR SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT
30 PURSUANT TO SECTION TWELVE HUNDRED FOURTEEN OF THIS ARTICLE.

31 2. SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZA-
32 TIONS AND LOCAL EDUCATION FUNDS. NO SCHOOL IMPROVEMENT ORGANIZATION,
33 EDUCATIONAL SCHOLARSHIP ORGANIZATION OR LOCAL EDUCATION FUND SHALL ISSUE
34 ANY CERTIFICATES OF RECEIPT WITHOUT FILING AN APPLICATION PURSUANT TO
35 SECTION TWELVE HUNDRED TWELVE AND RECEIVING APPROVAL PURSUANT TO SECTION
36 TWELVE HUNDRED THIRTEEN OF THIS ARTICLE.

37 S 1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
38 EACH SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZA-
39 TION AND LOCAL EDUCATION FUND SHALL SUBMIT AN APPLICATION TO THE BOARD
40 OF REGENTS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT IN THE FORM AND
41 MANNER PRESCRIBED BY THE BOARD OF REGENTS, PROVIDED THAT SUCH APPLICA-
42 TION SHALL INCLUDE: (1) SUBMISSION OF DOCUMENTATION THAT SUCH SCHOOL
43 IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLAR-
44 SHIP ORGANIZATION HAS BEEN GRANTED EXEMPTION FROM TAXATION UNDER PARA-
45 GRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTER-
46 NAL REVENUE CODE; (2) THE MOST RECENT ANNUAL FINANCIAL AUDIT, WHICH
47 SHALL BE COMPLETED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT, AND A
48 LIST OF NAMES AND ADDRESSES OF ALL MEMBERS OF THE GOVERNING BOARD OF THE
49 SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL
50 SCHOLARSHIP ORGANIZATION; AND (3) AN EDUCATIONAL SCHOLARSHIP ORGANIZA-
51 TION SHALL PROVIDE CRITERIA FOR THE AWARDING OF SCHOLARSHIPS TO ELIGIBLE
52 STUDENTS. THE BOARD OF REGENTS, COMMISSIONER OR DEPARTMENT SHALL NOT
53 REQUIRE ANY OTHER INFORMATION FOR SUCH APPLICATION EXCEPT AS AUTHORIZED
54 IN THIS ARTICLE OR BY SECTION FORTY-TWO OF THE TAX LAW.

55 S 1213. APPLICATION APPROVAL. IN GENERAL. THE BOARD OF REGENTS SHALL
56 REVIEW EACH APPLICATION TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO

1 THIS ARTICLE. APPROVAL OR DENIAL OF AN APPLICATION SHALL BE MADE AT THE
2 NEXT SCHEDULED MEETING OF THE BOARD OF REGENTS THAT FOLLOWS RECEIPT OF
3 SUCH APPLICATION, BUT NOT LATER THAN THE NEXT MEETING THEREAFTER.

4 S 1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. THE
5 BOARD OF REGENTS, IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND
6 FINANCE, MAY REVOKE THE APPROVAL OF A SCHOOL IMPROVEMENT ORGANIZATION,
7 EDUCATIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC
8 SCHOOL OR PUBLIC SCHOOL DISTRICT TO ISSUE CERTIFICATES OF RECEIPT UPON A
9 FINDING THAT SUCH ORGANIZATION, FUND, SCHOOL OR SCHOOL DISTRICT HAS
10 VIOLATED THIS ARTICLE OR SECTION FORTY-TWO OF THE TAX LAW. THESE
11 VIOLATIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, ANY OF THE FOLLOWING:
12 (1) FAILURE TO MEET THE REQUIREMENTS OF THIS ARTICLE OR SECTION
13 FORTY-TWO OF THE TAX LAW, (2) THE FAILURE TO MAINTAIN FULL AND ADEQUATE
14 RECORDS WITH RESPECT TO THE RECEIPT OF QUALIFIED CONTRIBUTIONS, (3) THE
15 FAILURE TO SUPPLY SUCH RECORDS TO THE COMMISSIONER, DEPARTMENT OF TAXA-
16 TION AND FINANCE, THE DEPARTMENT OR THE BOARD OF REGENTS WHEN REQUESTED
17 BY THE DEPARTMENT OR BOARD OF REGENTS, OR (4) THE FAILURE TO PROVIDE
18 NOTICE TO THE DEPARTMENT OF TAXATION AND FINANCE OF THE ISSUANCE OR
19 NON-ISSUANCE OF CERTIFICATES OF RECEIPT PURSUANT TO SECTION FORTY-TWO OF
20 THE TAX LAW; PROVIDED, HOWEVER, THAT THE BOARD OF REGENTS SHALL NOT
21 REVOKE APPROVAL PURSUANT TO THIS SECTION BASED UPON A VIOLATION OF TAX
22 LAW UNLESS THE COMMISSIONER OF TAXATION AND FINANCE AGREES THAT REVOCATION IS WARRANTED; AND PROVIDED FURTHER THAT THE BOARD OF REGENTS SHALL
23 NOT REVOKE APPROVAL PURSUANT TO THIS SECTION WHEN THE FAILURE TO COMPLY
24 IS DUE TO CLERICAL ERROR AND NOT NEGLIGENCE OR INTENTIONAL DISREGARD FOR
25 THE LAW. WITHIN FIVE DAYS OF THE DETERMINATION REVOKING APPROVAL, THE
26 COMMISSIONER SHALL PROVIDE NOTICE OF SUCH REVOCATION TO THE EDUCATIONAL
27 SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT AND TO THE DEPARTMENT OF TAXATION AND FINANCE.

31 S 1215. REPORTING AND RECORDKEEPING. 1. REPORTING. EACH EDUCATIONAL
32 SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND PUBLIC SCHOOL DISTRICT THAT RECEIVES QUALIFIED CONTRIBUTIONS SHALL REPORT TO THE COMMISSIONER AND THE BOARD OF REGENTS BY THE LAST DAY OF FEBRUARY OF EACH CALENDAR YEAR. SUCH REPORT SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE COMMISSIONER IN CONSULTATION WITH THE BOARD OF REGENTS, WHICH SHALL INCLUDE AN ANNUAL FINANCIAL AUDIT FROM AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT AND SHALL NOT EXCEED THE REQUIREMENTS NECESSARY TO PRODUCE THE INFORMATION PURSUANT TO SECTION TWELVE HUNDRED SIXTEEN OF THIS ARTICLE.

41 2. RECORDKEEPING. EACH EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL
42 IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND PUBLIC SCHOOL DISTRICT THAT ISSUED AT LEAST ONE CERTIFICATE OF RECEIPT SHALL MAINTAIN RECORDS INCLUDING (A) NOTIFICATIONS RECEIVED FROM THE DEPARTMENT OF TAXATION AND FINANCE, (B) NOTIFICATIONS MADE TO THE DEPARTMENT OF TAXATION AND FINANCE, (C) COPIES OF QUALIFIED CONTRIBUTIONS RECEIVED, (D) COPIES OF THE DEPOSIT OF SUCH QUALIFIED CONTRIBUTIONS, (E) COPIES OF ISSUED CERTIFICATES OF RECEIPT, (F) ANNUAL FINANCIAL STATEMENTS, (G) IN THE CASE OF SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AND LOCAL EDUCATION FUNDS, THE APPLICATION SUBMITTED PURSUANT TO SECTION TWELVE HUNDRED TWELVE OF THIS ARTICLE AND THE APPROVAL ISSUED BY THE BOARD OF REGENTS, AND (H) ANY OTHER INFORMATION AS PRESCRIBED BY REGULATION PROMULGATED BY THE COMMISSIONER OR RULE PROMULGATED BY THE BOARD OF REGENTS.

55 S 1216. JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF JUNE FOR
56 EACH CALENDAR YEAR, THE COMMISSIONER OF TAXATION AND FINANCE AND THE

1 COMMISSIONER, JOINTLY, SHALL SUBMIT A WRITTEN REPORT AS PROVIDED IN
2 PARAGRAPH TWO OF SUBDIVISION (J) OF SECTION FORTY-TWO OF THE TAX LAW.

3 S 1217. COMMISSIONER; POWERS. THE COMMISSIONER SHALL PROMULGATE ON AN
4 EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS
5 SECTION. THE COMMISSIONER SHALL MAKE ANY APPLICATION REQUIRED TO BE
6 FILED PURSUANT TO THIS ARTICLE AVAILABLE TO APPLICANTS WITHIN SIXTY DAYS
7 OF THE EFFECTIVE DATE OF THIS ARTICLE.

8 S 11. The education law is amended by adding a new section 1503-a to
9 read as follows:

10 S 1503-A. POWER TO ACCEPT AND SOLICIT GIFTS AND DONATIONS. 1. ALL
11 SCHOOL DISTRICTS ORGANIZED BY SPECIAL LAWS OR PURSUANT TO THE PROVISIONS
12 OF A GENERAL LAW ARE HEREBY AUTHORIZED AND EMPOWERED TO ACCEPT GIFTS,
13 DONATIONS, AND CONTRIBUTIONS TO THE DISTRICT AND TO SOLICIT THE SAME.

14 2. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR OF ANY OTHER
15 GENERAL OR SPECIAL LAW TO THE CONTRARY, THE RECEIPT OF SUCH GIFTS,
16 DONATIONS, CONTRIBUTIONS AND OTHER FUNDS, AND ANY INCOME DERIVED THERE-
17 FROM, SHALL BE DISREGARDED FOR THE PURPOSES OF ALL APPORTIONMENTS,
18 COMPUTATIONS, AND DETERMINATIONS OF STATE AID.

19 S 12. Severability. If any provision of this section or the applica-
20 tion thereof to any person or circumstances is held invalid, such inva-
21 lidity shall not affect other provisions or applications of the section
22 which can be given effect without the invalid provision or application,
23 and to this end the provisions of this section are declared to be sever-
24 able.

25 S 13. This act shall take effect immediately and shall apply to taxa-
26 ble years beginning after December 31, 2016.