

February 16, 2021

PROPOSED AMENDMENTS TO SENATE BILL NO. 2288

Page 1, line 19, after "3." insert "A passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity."

4."

Page 1, line 19, replace "each" with "in"

Page 1, line 19, after "year" insert "2021"

Page 1, line 21, remove "any"

Page 1, line 21, after "year" insert "2021"

Page 1, line 21, after "of" insert "tax"

Page 1, line 21, remove "in the"

Page 1, line 22, remove "succeeding calendar year"

Page 1, line 22, after "percent" insert "for the succeeding tax years. If the aggregate limit is increased in any tax year, the tax commissioner shall use the new limit as the base aggregate limit for succeeding tax years until a new aggregate limit is established under this subsection"

Page 2, remove lines 3 through 5

Page 2, line 6, after "5." insert "The tax commissioner shall approve the amount of tax credits for taxpayers on a first-come, first-served basis and post a notice on the tax department's website advising taxpayers when the aggregate limit is in effect. The tax commissioner may develop an internet-based registration system that provides donors with the opportunity to obtain preapproval for a tax credit before making a contribution."

6."

Page 2, line 12, after "c." insert """Low-income eligible student" means a student who is a resident of this state, is a member of a household whose total income, the year before the student enters the program, did not exceed three hundred percent of the income standard for the federal poverty line, is or will be five years of age or older by September tenth of the year in which the educational scholarship will be disbursed, and is under nineteen years of age."

d."

Page 2, line 15, replace "d." with "e."

Page 2, line 16, replace "e." with "f."

Page 2, line 17, replace "f." with "g."

Page 2, line 23, replace "g." with "h."

Page 2, line 29, replace "6." with "7."

Page 3, line 4, after "c." insert "Award scholarships exclusively to low-income eligible students through June thirtieth of each year, after which time scholarships may be awarded to eligible students and low-income eligible students. If sufficient funding is available, once a student meets the initial income eligibility requirement, the student remains income eligible for three years, or if the student is entering high school, until the student graduates high school, regardless of household income. After the initial period of income eligibility, the student remains eligible if the student is a member of a household whose total annual income in the prior year did not exceed three hundred percent of the income standard for the federal poverty line:

d."

Page 3, line 8, replace "d." with "e."

Page 3, line 11, replace "e." with "f."

Page 3, line 11, replace "twenty-five" with "fifty"

Page 3, line 14, replace "f." with "g."

Page 3, line 15, replace "g." with "h."

Page 3, line 18, replace "h." with "i."

Page 3, line 22, replace "i." with "j."

Page 3, line 24, replace "j." with "k."

Page 3, line 29, replace "7." with "8."

Page 3, line 30, replace "Shall" with "May"

Page 3, line 30, after "rules" insert "and procedures"

Page 4, line 3, after the underscored semicolon insert "and"

Page 4, line 5, remove "; and"

Page 4, remove lines 6 through 10

Page 4, line 11, remove "and the students' parents as soon as practicable"

Page 4, after line 11, insert:

"9. If a scholarship-granting organization is not in compliance with this section, the tax commissioner shall provide the organization written notice of the specific failures and the organization has thirty days from the date of the notice to correct the deficiencies. If the organization fails to correct all deficiencies within thirty days from the date of the notice, the tax commissioner shall provide a final written notice of the failure of the organization to correct the deficiencies. The organization may appeal the tax commissioner's determination of failure to comply within thirty days of the date of the final written notice. The provisions of chapter 28-32 apply to and govern the administrative hearing procedure, including appeals from any decision rendered by the tax commissioner.

- a. If a scholarship-granting organization does not seek review of the tax commissioner's determination, or if the dispute is not resolved, the tax commissioner shall issue a final determination.
- b. The final determination must provide that the scholarship-granting organization:
  - (1) Will be removed from the list of eligible scholarship-granting organizations and notified of the removal; and
  - (2) Shall within fifteen calendar days of the receipt of the notice provided under paragraph 1 cease all operations as a scholarship-granting organization and transfer all scholarship account funds to a properly operating scholarship-granting organization."

Renumber accordingly