



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 250

PRINTERS NO. 211

PRIME SPONSOR: Turzai

REVENUE INCREASE / (DECREASE)

FUND	FY 2016/17	FY 2017/18
General Fund	\$0	(\$56,250,000)

SUMMARY:

House Bill 250, Printer's Number 211, amends the School Code further providing for tax credits and limitations in educational tax credits. It would take effect in 60 days.

ANALYSIS:

Article XX-B (Educational Tax Credits) currently provides for a total of \$125 million in Educational Improvement Tax Credits (EITC) and a total of \$50 million in Opportunity Scholarship Tax Credits (OSTC). This legislation increases the amount of tax credits available under the EITC program to \$175 million and the amount available under the OSTC program to \$75 million, a total increase in Educational Tax Credits of \$75 million.

The additional \$50 million in tax credits made available under the EITC program is provided as follows: (1) \$30 million for contributions to scholarship organizations; (2) \$15 million for contributions to educational improvement organizations; and (3) \$5 million for contributions to pre-kindergarten scholarship organizations.

FISCAL IMPACT:

Based on information provided by the Department of Revenue, approximately 75% of the Educational Tax Credits awarded in a fiscal year are claimed on a tax return filed within that same fiscal year. Assuming that the full amount of tax credits are awarded, enactment of this legislation will result in a reduction of revenues estimated to be \$56.25 million in 2017-18 and \$75 million a year thereafter.

PREPARED BY: Jeff Miller
Ritchie LaFaver
House Appropriations Committee (R)

DATE: March 13, 2017

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.