

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1207 Session of 2013

INTRODUCED BY CHRISTIANA, EMRICK, PICKETT, MILLARD, MICOZZIE, B. BOYLE, KAUFFMAN, KILLION, AUMENT, DUNBAR, READSHAW, ROCK, C. HARRIS, VEREB, SWANGER, GINGRICH, PETRI, BLOOM, BARBIN, CLYMER, LAWRENCE, HICKERNELL, REGAN, MARSICO, GIBBONS, EVERETT, SAYLOR, V. BROWN, DENLINGER, GROVE, KORTZ, MARSHALL, GABLER, KIM, DAVIS AND HELM, APRIL 16, 2013

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES, SEPTEMBER 22, 2014

AN ACT

1 Amending the act of March 4, 1971 (P.L.6, No.2), entitled "An
2 act relating to tax reform and State taxation by codifying
3 and enumerating certain subjects of taxation and imposing
4 taxes thereon; providing procedures for the payment,
5 collection, administration and enforcement thereof; providing
6 for tax credits in certain cases; conferring powers and
7 imposing duties upon the Department of Revenue, certain
8 employers, fiduciaries, individuals, persons, corporations
9 and other entities; prescribing crimes, offenses and
10 penalties," further providing for limitations. FURTHER <--
11 PROVIDING FOR EDUCATIONAL IMPROVEMENT TAX CREDIT; AND
12 REPEALING PROVISIONS RELATING TO EDUCATIONAL OPPORTUNITY
13 SCHOLARSHIP TAX CREDIT.

14 The General Assembly of the Commonwealth of Pennsylvania
15 hereby enacts as follows:

16 Section 1. Section 1706 F(a) of the act of March 4, 1971 <--
17 (P.L.6, No.2), known as the Tax Reform Code of 1971, is amended
18 to read:

19 Section 1706 F. Limitations.

20 (a) Amount.

21 (1) The total aggregate amount of all tax credits

1 approved shall not exceed ~~[\$100,000,000]~~ ~~\$125,000,000~~ in a
2 fiscal year. No less than ~~[\$60,000,000]~~ ~~\$75,000,000~~ of the
3 total aggregate amount shall be used to provide tax credits
4 for contributions from business firms to scholarship
5 organizations. No less than ~~[\$30,000,000]~~ ~~\$37,500,000~~ of the
6 total aggregate amount shall be used to provide tax credits
7 for contributions from business firms to educational
8 improvement organizations.

9 ~~(2) The following apply to specific fiscal years:~~

10 ~~(i) For fiscal years 2004-2005, 2005-2006 and 2006-~~
11 ~~2007, the total aggregate amount of all tax credits~~
12 ~~approved for contributions from business firms to pre-~~
13 ~~kindergarten scholarship programs shall not exceed~~
14 ~~\$5,000,000 in a fiscal year.~~

15 ~~(ii) For fiscal years 2007-2008, 2008-2009, 2009-~~
16 ~~2010, 2010-2011 and 2011-2012, the total aggregate amount~~
17 ~~of all tax credits approved for contributions from~~
18 ~~business firms to pre-kindergarten scholarship programs~~
19 ~~shall not exceed \$8,000,000 in a fiscal year.~~

20 ~~(iii) For fiscal year 2012-2013 [and each fiscal~~
21 ~~year thereafter], the total aggregate amount of all tax~~
22 ~~credits approved for contributions from business firms to~~
23 ~~pre-kindergarten scholarship programs shall not exceed~~
24 ~~\$10,000,000 in a fiscal year.~~

25 ~~(iv) For fiscal year 2013-2014 and each fiscal year~~
26 ~~thereafter, the total aggregate amount of all tax credits~~
27 ~~approved for contributions from business firms to pre-~~
28 ~~kindergarten scholarship programs shall not exceed~~
29 ~~\$12,500,000 in a fiscal year.~~

30 ~~(b) Activities. No tax credit shall be approved for~~

1 ~~activities that are a part of a business firm's normal course of~~
2 ~~business.~~

3 ~~(c) Tax liability.—~~

4 ~~(1) Except as provided in paragraph (2), a tax credit~~
5 ~~granted for any one taxable year may not exceed the tax~~
6 ~~liability of a business firm.~~

7 ~~(2) In the case of a credit granted to a pass through~~
8 ~~entity which elects to transfer the credit according to~~
9 ~~section 1705 F(e), a tax credit granted for any one taxable~~
10 ~~year and transferred to a shareholder, member or partner may~~
11 ~~not exceed the tax liability of the shareholder, member or~~
12 ~~partner.~~

13 ~~(d) Use.— A tax credit not used by the applicant in the~~
14 ~~taxable year the contribution was made or in the year designated~~
15 ~~by the shareholder, member or partner to whom the credit was~~
16 ~~transferred under section 1705 F(e) may not be carried forward~~
17 ~~or carried back and is not refundable or transferable.~~

18 ~~(e) Nontaxable income.— A scholarship received by an~~
19 ~~eligible student or eligible pre-kindergarten student shall not~~
20 ~~be considered to be taxable income for the purposes of Article~~
21 ~~III.~~

22 ~~Section 2. This act shall take effect in 60 days.~~

23 SECTION 1. ARTICLE XVII-F HEADING OF THE ACT OF MARCH 4, <--
24 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, ADDED
25 OCTOBER 9, 2009 (P.L.451, NO.48), IS AMENDED TO READ:

26 ARTICLE XVII-F

27 EDUCATIONAL [IMPROVEMENT TAX CREDIT]

28 TAX CREDITS

29 SECTION 2. SECTION 1701-F OF THE ACT, ADDED OCTOBER 9, 2009
30 (P.L.451, NO.48), IS AMENDED TO READ:

1 SECTION 1701-F. SCOPE OF ARTICLE.

2 THIS ARTICLE ESTABLISHES THE EDUCATIONAL IMPROVEMENT [TAX
3 CREDIT] AND OPPORTUNITY SCHOLARSHIP TAX CREDITS.

4 SECTION 3. THE DEFINITIONS OF "BUSINESS FIRM," "INCOME
5 ALLOWANCE," "MAXIMUM ANNUAL HOUSEHOLD INCOME," "PASS-THROUGH
6 ENTITY" AND "PRE-KINDERGARTEN PROGRAM" IN SECTION 1702-F OF THE
7 ACT, AMENDED OR ADDED OCTOBER 9, 2009 (P.L.451, NO.48) AND JULY
8 2, 2012 (P.L.751, NO.85), ARE AMENDED AND THE SECTION IS AMENDED
9 BY ADDING DEFINITIONS TO READ:

10 SECTION 1702-F. DEFINITIONS.

11 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
12 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
13 CONTEXT CLEARLY INDICATES OTHERWISE:

14 "APPLICABLE TAXES." ANY OF THE TAXES DUE UNDER ARTICLE III,
15 IV, VI, VII, VIII, IX, XV OR XX OR A TAX UNDER ARTICLE XVI OF
16 THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE
17 INSURANCE COMPANY LAW OF 1921.

18 "APPLICANT." AN ELIGIBLE STUDENT WHO APPLIES FOR A
19 SCHOLARSHIP.

20 "ASSESSMENT." THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
21 TEST, THE KEYSTONE EXAM, AN EQUIVALENT LOCAL ASSESSMENT OR
22 ANOTHER TEST ESTABLISHED BY THE STATE BOARD OF EDUCATION TO MEET
23 THE REQUIREMENTS OF SECTION 2603-B(D)(10)(I) OF THE PUBLIC
24 SCHOOL CODE OF 1949, AND REQUIRED UNDER THE NO CHILD LEFT BEHIND
25 ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS
26 SUCCESSOR STATUTE OR ANOTHER TEST REQUIRED TO ACHIEVE OTHER
27 STANDARDS ESTABLISHED BY THE DEPARTMENT OF EDUCATION FOR THE
28 PUBLIC SCHOOL OR SCHOOL DISTRICT UNDER 22 PA. CODE § 403.3
29 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

30 "ATTENDANCE BOUNDARY." A GEOGRAPHIC AREA OF RESIDENCE USED

1 BY A SCHOOL DISTRICT TO ASSIGN A STUDENT TO A PUBLIC SCHOOL.

2 "AVERAGE DAILY MEMBERSHIP." AS DEFINED IN SECTION 2501(3) OF
3 THE PUBLIC SCHOOL CODE OF 1949.

4 "BUSINESS FIRM." AN ENTITY AUTHORIZED TO DO BUSINESS IN THIS
5 COMMONWEALTH AND SUBJECT TO TAXES IMPOSED UNDER ARTICLE III, IV,
6 VI, VII, VIII, IX [OR XV], XV OR XX OR A TAX UNDER ARTICLE XVI
7 OF THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE
8 INSURANCE COMPANY LAW OF 1921. THE TERM INCLUDES A PASS-THROUGH
9 ENTITY[.], INCLUDING A PASS-THROUGH ENTITY, THE PURPOSE OF WHICH
10 IS THE MAKING OF CONTRIBUTIONS UNDER THIS ARTICLE AND WHOSE
11 SHAREHOLDERS, PARTNERS OR MEMBERS ARE COMPOSED OF OWNERS OR
12 EMPLOYES OF OTHER BUSINESS FIRMS.

13 * * *

14 "ELEMENTARY SCHOOL." A SCHOOL WHICH IS NOT A SECONDARY
15 SCHOOL.

16 * * *

17 "INCOME ALLOWANCE."

18 [(1) AS FOLLOWS:

19 (I) BEFORE JULY 1, 2011, \$10,000 FOR EACH ELIGIBLE
20 STUDENT, ELIGIBLE PRE-KINDERGARTEN STUDENT AND DEPENDENT
21 MEMBER OF THE HOUSEHOLD.

22 (II) AFTER JUNE 30, 2011, AND THROUGH JUNE 30, 2013,
23 \$12,000 FOR EACH ELIGIBLE STUDENT, ELIGIBLE PRE-
24 KINDERGARTEN STUDENT AND DEPENDENT MEMBER OF THE
25 HOUSEHOLD.

26 (III) AFTER JUNE 30, 2013, AND THROUGH JUNE 30,
27 2014, \$15,000 FOR EACH ELIGIBLE STUDENT, ELIGIBLE PRE-
28 KINDERGARTEN STUDENT AND DEPENDENT MEMBER OF THE
29 HOUSEHOLD.

30 (2) BEGINNING JULY 1 2014, THE DEPARTMENT OF COMMUNITY

1 AND ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST THE INCOME
2 ALLOWANCE AMOUNTS UNDER PARAGRAPH (1) TO REFLECT ANY UPWARD
3 CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
4 FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA
5 IN THE PRECEDING 12 MONTHS AND SHALL IMMEDIATELY SUBMIT THE
6 ADJUSTED AMOUNTS TO THE LEGISLATIVE REFERENCE BUREAU FOR
7 PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.]

8 THE BASE AMOUNT OF \$15,000 FOR EACH ELIGIBLE STUDENT,
9 ELIGIBLE PRE-KINDERGARTEN STUDENT AND DEPENDENT MEMBER OF THE
10 HOUSEHOLD. BEGINNING JULY 1, 2014, THE DEPARTMENT SHALL ANNUALLY
11 ADJUST THE BASE AMOUNT TO REFLECT UPWARD CHANGES IN THE CONSUMER
12 PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW
13 JERSEY, DELAWARE AND MARYLAND AREA FOR THE PRECEDING 12 MONTHS.
14 THE DEPARTMENT SHALL IMMEDIATELY SUBMIT THE ADJUSTED AMOUNTS TO
15 THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION AS A NOTICE IN
16 THE PENNSYLVANIA BULLETIN.

17 * * *

18 "KINDERGARTEN." A ONE-YEAR FORMAL EDUCATIONAL PROGRAM THAT
19 OCCURS DURING THE SCHOOL YEAR IMMEDIATELY PRIOR TO FIRST GRADE.
20 THE TERM INCLUDES A PART-TIME AND A FULL-TIME PROGRAM.

21 "LOW-ACHIEVING SCHOOL." A PUBLIC SCHOOL THAT RANKED IN THE
22 LOWEST 15% OF THE SCHOOL'S DESIGNATION AS AN ELEMENTARY SCHOOL
23 OR A SECONDARY SCHOOL BASED ON COMBINED MATHEMATICS AND READING
24 SCORES FROM THE ANNUAL ASSESSMENT ADMINISTERED IN THE PREVIOUS
25 SCHOOL YEAR AND FOR WHICH THE DEPARTMENT OF EDUCATION HAS POSTED
26 RESULTS ON THE DEPARTMENT OF EDUCATION'S PUBLICLY ACCESSIBLE
27 INTERNET WEBSITE. THE TERM DOES NOT INCLUDE A CHARTER SCHOOL,
28 CYBER CHARTER SCHOOL OR AREA VOCATIONAL-TECHNICAL SCHOOL.

29 "MAXIMUM ANNUAL HOUSEHOLD INCOME."

30 (1) [EXCEPT AS SET FORTH IN PARAGRAPH (2) AND SUBJECT TO

1 PARAGRAPH (3), AS FOLLOWS:

2 (I) BEFORE JULY 1, 2011, NOT MORE THAN \$50,000.

3 (II) AFTER JUNE 30, 2011, AND THROUGH JUNE 30, 2013,
4 NOT MORE THAN \$60,000.

5 (III) AFTER JUNE 30, 2013, NOT MORE THAN \$75,000.]

6 SUBJECT TO ADJUSTMENT UNDER PARAGRAPHS (2) AND (3), THE
7 AMOUNT OF \$75,000, PLUS THE APPLICABLE INCOME ALLOWANCE.

8 (2) WITH RESPECT TO AN ELIGIBLE STUDENT WITH A
9 DISABILITY, AS CALCULATED BY MULTIPLYING:

10 (I) [THE SUM OF:

11 (A)] THE APPLICABLE AMOUNT UNDER PARAGRAPH (1) [;

12 AND

13 (B) THE APPLICABLE INCOME ALLOWANCE]; BY

14 (II) THE APPLICABLE SUPPORT LEVEL FACTOR ACCORDING
15 TO THE FOLLOWING TABLE:

SUPPORT LEVEL	SUPPORT LEVEL FACTOR
1	1.50
2	2.993

19 (3) BEGINNING JULY 1, 2014, THE [DEPARTMENT OF COMMUNITY
20 AND ECONOMIC DEVELOPMENT] DEPARTMENT SHALL ANNUALLY ADJUST
21 THE INCOME AMOUNTS UNDER PARAGRAPHS (1) AND (2) TO REFLECT
22 ANY UPWARD CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN
23 CONSUMERS FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND
24 MARYLAND AREA IN THE PRECEDING 12 MONTHS AND SHALL
25 IMMEDIATELY SUBMIT THE ADJUSTED AMOUNTS TO THE LEGISLATIVE
26 REFERENCE BUREAU FOR PUBLICATION AS A NOTICE IN THE
27 PENNSYLVANIA BULLETIN.

28 "NONPUBLIC SCHOOL." A SCHOOL WHICH IS A NONPROFIT
29 ORGANIZATION AND WHICH IS LOCATED IN THIS COMMONWEALTH. THE TERM
30 DOES NOT INCLUDE A PUBLIC SCHOOL.

1 "OPPORTUNITY SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY

2 WHICH:

3 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION 501(C)

4 (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-514,

5 26 U.S.C. § 1 ET SEQ.); AND

6 (2) CONTRIBUTES AT LEAST 80% OF THE ENTITY'S ANNUAL CASH

7 RECEIPTS TO AN OPPORTUNITY SCHOLARSHIP PROGRAM.

8 FOR THE PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY

9 CONTRIBUTES THE ENTITY'S CASH RECEIPTS TO AN OPPORTUNITY

10 SCHOLARSHIP PROGRAM WHEN THE ENTITY EXPENDS OR OTHERWISE

11 IRREVOCABLY ENCUMBERS THOSE FUNDS FOR DISTRIBUTION DURING THE

12 THEN CURRENT FISCAL YEAR OF THE NONPROFIT ENTITY OR DURING THE

13 NEXT SUCCEEDING FISCAL YEAR OF THE NONPROFIT ENTITY.

14 "OPPORTUNITY SCHOLARSHIP." AN AWARD GIVEN TO AN APPLICANT TO

15 PAY TUITION AND SCHOOL-RELATED FEES NECESSARY TO ATTEND A

16 PARTICIPATING NONPUBLIC SCHOOL OR A PARTICIPATING PUBLIC SCHOOL

17 LOCATED IN A SCHOOL DISTRICT WHICH IS NOT THE RECIPIENT'S SCHOOL

18 DISTRICT OF RESIDENCE.

19 "OPPORTUNITY SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE

20 OPPORTUNITY SCHOLARSHIPS TO ELIGIBLE STUDENTS WHO RESIDE WITHIN

21 THE ATTENDANCE AREA OF A LOW-ACHIEVING SCHOOL.

22 "PARENT." AN INDIVIDUAL WHO:

23 (1) IS A RESIDENT OF THIS COMMONWEALTH; AND

24 (2) EITHER:

25 (I) HAS LEGAL CUSTODY OR GUARDIANSHIP OF A STUDENT;

26 OR

27 (II) KEEPS IN THE INDIVIDUAL'S HOME A STUDENT AND

28 SUPPORTS THE STUDENT GRATIS AS IF THE STUDENT WERE A

29 LINEAL DESCENDANT OF THE INDIVIDUAL.

30 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL WHICH

1 NOTIFIES THE DEPARTMENT OF EDUCATION UNDER SECTION 1711-F THAT
2 THE SCHOOL WISHES TO ACCEPT OPPORTUNITY SCHOLARSHIP RECIPIENTS.
3 "PARTICIPATING PUBLIC SCHOOL." A PUBLIC SCHOOL IN A SCHOOL
4 DISTRICT WHICH NOTIFIES THE DEPARTMENT OF EDUCATION UNDER
5 SECTION 1711-F THAT THE SCHOOL WISHES TO ACCEPT OPPORTUNITY
6 SCHOLARSHIP RECIPIENTS. THE TERM DOES NOT INCLUDE A LOW-
7 ACHIEVING SCHOOL.

8 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION
9 301(N.0), A SINGLE-MEMBER LIMITED LIABILITY COMPANY TREATED AS A
10 DISREGARDED ENTITY FOR FEDERAL INCOME TAX PURPOSES OR A
11 PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1). THE
12 TERM INCLUDES A PASS-THROUGH ENTITY THAT OWNS AN INTEREST IN A
13 PASS-THROUGH ENTITY.

14 "PRE-KINDERGARTEN PROGRAM." A PROGRAM OF INSTRUCTION FOR
15 THREE-YEAR-OLD [OR], FOUR-YEAR-OLD, FIVE-YEAR-OLD OR SIX-YEAR-
16 OLD STUDENTS THAT UTILIZES A CURRICULUM ALIGNED WITH THE
17 CURRICULUM OF THE SCHOOL WITH WHICH IT IS AFFILIATED AND WHICH
18 PROVIDES ONE OF THE FOLLOWING:

19 (1) A MINIMUM OF TWO HOURS OF INSTRUCTIONAL AND
20 DEVELOPMENTAL ACTIVITIES PER DAY AT LEAST 60 DAYS PER SCHOOL
21 YEAR.

22 (2) A MINIMUM OF TWO HOURS OF INSTRUCTIONAL AND
23 DEVELOPMENTAL ACTIVITIES PER DAY AT LEAST 20 DAYS OVER THE
24 SUMMER RECESS.

25 * * *

26 "PUBLIC SCHOOL CODE OF 1949." THE ACT OF MARCH 10, 1949
27 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.

28 "RECIPIENT." AN APPLICANT WHO RECEIVES A SCHOLARSHIP.

29 * * *

30 "SCHOOL DISTRICT OF RESIDENCE." THE SCHOOL DISTRICT IN WHICH

1 THE STUDENT'S PRIMARY DOMICILE IS LOCATED.

2 * * *

3 "SECONDARY SCHOOL." A SCHOOL WITH AN ELEVENTH GRADE.

4 * * *

5 "STUDENT." AN INDIVIDUAL WHO MEETS ALL OF THE FOLLOWING:

6 (1) IS SCHOOL AGE.

7 (2) IS A RESIDENT OF THIS COMMONWEALTH.

8 (3) ATTENDS OR IS ABOUT TO ATTEND A SCHOOL.

9 * * *

10 SECTION 4. SECTION 1703-F OF THE ACT, AMENDED OR ADDED
11 OCTOBER 9, 2009 (P.L.451, NO.48) AND JULY 2, 2012 (P.L.751,
12 NO.48), IS AMENDED TO READ:

13 SECTION 1703-F. QUALIFICATION AND APPLICATION BY ORGANIZATIONS.

14 (A) ESTABLISHMENT.--IN ACCORDANCE WITH SECTION 14 OF ARTICLE
15 III OF THE CONSTITUTION OF PENNSYLVANIA, [AN EDUCATIONAL
16 IMPROVEMENT TAX CREDIT PROGRAM IS] THE EDUCATIONAL IMPROVEMENT
17 AND OPPORTUNITY SCHOLARSHIP TAX CREDIT PROGRAMS ARE HEREBY
18 ESTABLISHED TO ENHANCE THE EDUCATIONAL OPPORTUNITIES AVAILABLE
19 TO ALL STUDENTS IN THIS COMMONWEALTH.

20 (B) INFORMATION.--IN ORDER TO QUALIFY UNDER THIS ARTICLE, AN
21 EDUCATIONAL IMPROVEMENT ORGANIZATION, A SCHOLARSHIP
22 ORGANIZATION, A PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION OR AN
23 [EDUCATIONAL IMPROVEMENT] OPPORTUNITY SCHOLARSHIP ORGANIZATION
24 MUST SUBMIT INFORMATION TO THE DEPARTMENT THAT ENABLES THE
25 DEPARTMENT TO CONFIRM THAT THE ORGANIZATION IS EXEMPT FROM
26 TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE OF
27 1986 (PUBLIC LAW 99-514, 26 U.S.C. § 1 ET SEQ.).

28 (C) SCHOLARSHIP ORGANIZATIONS AND PRE-KINDERGARTEN
29 SCHOLARSHIP ORGANIZATIONS.--A SCHOLARSHIP ORGANIZATION OR PRE-
30 KINDERGARTEN SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE

1 DEPARTMENT THAT THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN
2 THE EDUCATIONAL IMPROVEMENT TAX CREDIT PROGRAM ESTABLISHED UNDER
3 THIS ARTICLE AND MUST AGREE TO ANNUALLY REPORT THE FOLLOWING
4 INFORMATION TO THE DEPARTMENT BY SEPTEMBER 1 OF EACH YEAR:

5 (1) (I) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
6 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE PRE-
7 KINDERGARTEN STUDENTS.

8 (II) THE TOTAL AND AVERAGE AMOUNTS OF THE
9 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
10 SCHOOL YEAR TO ELIGIBLE PRE-KINDERGARTEN STUDENTS.

11 (III) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
12 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
13 GRADES KINDERGARTEN THROUGH EIGHT.

14 (IV) THE TOTAL AND AVERAGE AMOUNTS OF THE
15 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
16 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
17 THROUGH EIGHT.

18 (V) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
19 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
20 GRADES NINE THROUGH 12.

21 (VI) THE TOTAL AND AVERAGE AMOUNTS OF THE
22 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
23 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES NINE THROUGH
24 12.

25 (VII) WHERE THE SCHOLARSHIP ORGANIZATION OR PRE-
26 KINDERGARTEN SCHOLARSHIP ORGANIZATION COLLECTS
27 INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE TOTAL NUMBER
28 AND THE TOTAL AMOUNT OF SCHOLARSHIPS AWARDED DURING THE
29 IMMEDIATELY PRECEDING SCHOOL YEAR TO RESIDENTS OF EACH
30 COUNTY IN WHICH THE SCHOLARSHIP ORGANIZATION OR PRE-

1 KINDERGARTEN SCHOLARSHIP ORGANIZATION AWARDED
2 SCHOLARSHIPS.

3 (VIII) THE TOTAL NUMBER OF SCHOLARSHIP APPLICATIONS
4 PROCESSED AND THE AMOUNTS OF ANY APPLICATION FEES
5 CHARGED, EITHER PER SCHOLARSHIP APPLICATION OR IN THE
6 AGGREGATE THROUGH A THIRD-PARTY PROCESSOR.

7 (IX) THE ORGANIZATION'S FEDERAL FORM 990 OR OTHER
8 FEDERAL FORM INDICATING THE TAX STATUS OF THE
9 ORGANIZATION FOR FEDERAL TAX PURPOSES, IF ANY, AND A COPY
10 OF A COMPILATION, REVIEW OR AUDIT OF THE ORGANIZATION'S
11 FINANCIAL STATEMENTS CONDUCTED BY A CERTIFIED PUBLIC
12 ACCOUNTING FIRM.

13 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL
14 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER
15 THAN MAY 1 OF EACH YEAR, THE DEPARTMENT SHALL ANNUALLY
16 DISTRIBUTE SUCH SAMPLE FORMS, TOGETHER WITH THE FORMS ON
17 WHICH THE REPORTS ARE REQUIRED TO BE MADE, TO EACH LISTED
18 SCHOLARSHIP ORGANIZATION AND PRE-KINDERGARTEN SCHOLARSHIP
19 ORGANIZATION.

20 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION
21 TO BE PROVIDED BY SCHOLARSHIP ORGANIZATIONS OR PRE-
22 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS, EXCEPT AS EXPRESSLY
23 AUTHORIZED IN THIS ARTICLE.

24 (D) EDUCATIONAL IMPROVEMENT ORGANIZATION.--

25 (1) AN APPLICATION SUBMITTED BY AN EDUCATIONAL
26 IMPROVEMENT ORGANIZATION MUST DESCRIBE ITS PROPOSED
27 INNOVATIVE EDUCATIONAL PROGRAM OR PROGRAMS IN A FORM
28 PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL CONSULT
29 WITH THE DEPARTMENT OF EDUCATION AS NECESSARY. THE DEPARTMENT
30 SHALL REVIEW AND APPROVE OR DISAPPROVE THE APPLICATION. IN

1 ORDER TO BE ELIGIBLE TO PARTICIPATE IN THE EDUCATIONAL
2 IMPROVEMENT TAX CREDIT PROGRAM ESTABLISHED UNDER THIS
3 ARTICLE, AN EDUCATIONAL IMPROVEMENT ORGANIZATION MUST AGREE
4 TO ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE
5 DEPARTMENT BY [DECEMBER 1, 2005, AND] SEPTEMBER 1 OF EACH
6 YEAR [THEREAFTER]:

7 (I) THE NAME OF THE INNOVATIVE EDUCATIONAL PROGRAM
8 OR PROGRAMS AND THE TOTAL AMOUNT OF THE GRANT OR GRANTS
9 MADE TO THOSE PROGRAMS DURING THE IMMEDIATELY PRECEDING
10 SCHOOL YEAR.

11 (II) A DESCRIPTION OF HOW EACH GRANT WAS UTILIZED
12 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR AND A
13 DESCRIPTION OF ANY DEMONSTRATED OR EXPECTED INNOVATIVE
14 EDUCATIONAL IMPROVEMENTS.

15 (III) THE NAMES OF THE PUBLIC SCHOOLS AND SCHOOL
16 DISTRICTS WHERE INNOVATIVE EDUCATIONAL PROGRAMS THAT
17 RECEIVED GRANTS DURING THE IMMEDIATELY PRECEDING SCHOOL
18 YEAR WERE IMPLEMENTED.

19 (IV) WHERE THE EDUCATIONAL IMPROVEMENT ORGANIZATION
20 COLLECTS INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE
21 TOTAL NUMBER AND THE TOTAL AMOUNT OF GRANTS MADE DURING
22 THE IMMEDIATELY PRECEDING SCHOOL YEAR FOR PROGRAMS AT
23 PUBLIC SCHOOLS IN EACH COUNTY IN WHICH THE EDUCATIONAL
24 IMPROVEMENT ORGANIZATION MADE GRANTS.

25 (V) THE ORGANIZATION'S FEDERAL FORM 990 OR OTHER
26 FEDERAL FORM INDICATING THE TAX STATUS OF THE
27 ORGANIZATION FOR FEDERAL TAX PURPOSES, IF ANY, AND A COPY
28 OF A COMPILATION, REVIEW OR AUDIT OF THE ORGANIZATION'S
29 FINANCIAL STATEMENTS CONDUCTED BY A CERTIFIED PUBLIC
30 ACCOUNTING FIRM.

1 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL
2 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER
3 THAN [SEPTEMBER 1, 2005, AND] MAY 1 OF EACH YEAR
4 [THEREAFTER], THE DEPARTMENT SHALL ANNUALLY DISTRIBUTE SUCH
5 SAMPLE FORMS, TOGETHER WITH THE FORMS ON WHICH THE REPORTS
6 ARE REQUIRED TO BE MADE, TO EACH LISTED EDUCATIONAL
7 IMPROVEMENT ORGANIZATION.

8 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION
9 TO BE PROVIDED BY EDUCATIONAL IMPROVEMENT ORGANIZATIONS,
10 EXCEPT AS EXPRESSLY AUTHORIZED IN THIS ARTICLE.

11 (D.1) OPPORTUNITY SCHOLARSHIP ORGANIZATIONS.--

12 (1) AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MUST ENHANCE
13 THE EDUCATIONAL OPPORTUNITIES AVAILABLE TO STUDENTS IN THIS
14 COMMONWEALTH BY PROVIDING OPPORTUNITY SCHOLARSHIPS TO
15 ELIGIBLE STUDENTS WHO RESIDE WITHIN THE ATTENDANCE BOUNDARY
16 OF LOW-ACHIEVING SCHOOLS TO ATTEND SCHOOLS WHICH ARE NOT LOW-
17 ACHIEVING SCHOOLS AND WHICH ARE NOT PUBLIC SCHOOLS WITHIN THE
18 ELIGIBLE STUDENT'S SCHOOL DISTRICT OF RESIDENCE. BY FEBRUARY
19 15 OF EACH YEAR, AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MUST
20 CERTIFY TO THE DEPARTMENT THAT THE ORGANIZATION IS ELIGIBLE
21 TO PARTICIPATE IN THE OPPORTUNITY SCHOLARSHIP TAX CREDIT
22 PROGRAM.

23 (2) AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MUST AGREE
24 TO REPORT THE FOLLOWING INFORMATION ON A FORM PROVIDED BY THE
25 DEPARTMENT BY SEPTEMBER 1 OF EACH YEAR:

26 (I) THE TOTAL NUMBER OF APPLICATIONS FOR OPPORTUNITY
27 SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY PRECEDING
28 SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
29 THROUGH EIGHT.

30 (II) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED

1 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE
2 STUDENTS IN GRADES KINDERGARTEN THROUGH EIGHT.

3 (III) THE TOTAL AND AVERAGE AMOUNTS OF THE
4 OPPORTUNITY SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY
5 PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES
6 KINDERGARTEN THROUGH EIGHT.

7 (IV) THE TOTAL NUMBER OF APPLICATIONS FOR
8 OPPORTUNITY SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY
9 PRECEDING SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES
10 NINE THROUGH 12.

11 (V) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
12 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE
13 STUDENTS IN GRADES NINE THROUGH 12.

14 (VI) THE TOTAL AND AVERAGE AMOUNTS OF THE
15 OPPORTUNITY SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY
16 PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES NINE
17 THROUGH 12.

18 (VII) WHERE THE OPPORTUNITY SCHOLARSHIP ORGANIZATION
19 COLLECTS INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE
20 TOTAL NUMBER AND THE TOTAL AMOUNT OF OPPORTUNITY
21 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
22 SCHOOL YEAR TO RESIDENTS OF EACH COUNTY IN WHICH THE
23 OPPORTUNITY SCHOLARSHIP ORGANIZATION AWARDED OPPORTUNITY
24 SCHOLARSHIPS.

25 (VIII) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS
26 AWARDED DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO
27 APPLICANTS WITH A HOUSEHOLD INCOME THAT DOES NOT EXCEED
28 185% OF THE FEDERAL POVERTY LEVEL.

29 (IX) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
30 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING

1 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
2 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL.

3 (X) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
4 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO
5 APPLICANTS WITH A HOUSEHOLD INCOME THAT DOES NOT EXCEED
6 185% OF THE FEDERAL POVERTY LEVEL AND WHO RESIDE WITHIN A
7 FIRST CLASS SCHOOL DISTRICT.

8 (XI) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
9 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
10 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
11 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
12 RESIDE WITHIN A FIRST CLASS SCHOOL DISTRICT.

13 (XII) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
14 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO
15 APPLICANTS WITH A HOUSEHOLD INCOME THAT DOES NOT EXCEED
16 185% OF THE FEDERAL POVERTY LEVEL AND WHO RESIDE WITHIN A
17 SCHOOL DISTRICT THAT WAS DESIGNATED AS A FINANCIAL
18 RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A OF THE PUBLIC
19 SCHOOL CODE OF 1949 AT THE TIME OF THE AWARD.

20 (XIII) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
21 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
22 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
23 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
24 RESIDE WITHIN A SCHOOL DISTRICT THAT WAS DESIGNATED AS A
25 FINANCIAL RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A OF
26 THE PUBLIC SCHOOL CODE OF 1949 AT THE TIME OF THE AWARD.

27 (XIV) THE TOTAL NUMBER OF OPPORTUNITY SCHOLARSHIP
28 APPLICATIONS PROCESSED AND THE AMOUNTS OF ANY APPLICATION
29 FEES CHARGED EITHER PER OPPORTUNITY SCHOLARSHIP
30 APPLICATION OR IN THE AGGREGATE THROUGH A THIRD-PARTY

1 PROCESSOR.

2 (XV) THE OPPORTUNITY SCHOLARSHIP ORGANIZATION'S
3 FEDERAL FORM 990 OR OTHER FEDERAL FORM INDICATING THE TAX
4 STATUS OF THE OPPORTUNITY SCHOLARSHIP ORGANIZATION FOR
5 FEDERAL TAX PURPOSES, IF ANY, AND A COPY OF A
6 COMPILATION, REVIEW OR AUDIT OF THE OPPORTUNITY
7 SCHOLARSHIP ORGANIZATION'S FINANCIAL STATEMENTS CONDUCTED
8 BY A CERTIFIED PUBLIC ACCOUNTING FIRM.

9 (3) NO LATER THAN MAY 1 OF EACH YEAR, THE DEPARTMENT
10 SHALL ANNUALLY DISTRIBUTE SUCH SAMPLE FORMS, TOGETHER WITH
11 THE FORMS ON WHICH THE REPORTS ARE REQUIRED TO BE MADE, TO
12 EACH LISTED OPPORTUNITY SCHOLARSHIP ORGANIZATION.

13 (4) THE DEPARTMENT MAY NOT REQUIRE OTHER INFORMATION TO
14 BE PROVIDED BY OPPORTUNITY SCHOLARSHIP ORGANIZATIONS, EXCEPT
15 AS EXPRESSLY AUTHORIZED IN THIS ARTICLE.

16 (E) NOTIFICATION.--THE DEPARTMENT SHALL NOTIFY THE
17 SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN SCHOLARSHIP
18 ORGANIZATION [OR], EDUCATIONAL IMPROVEMENT ORGANIZATION OR
19 OPPORTUNITY SCHOLARSHIP ORGANIZATION THAT THE ORGANIZATION MEETS
20 THE REQUIREMENTS OF AND IS QUALIFIED UNDER THIS ARTICLE FOR THAT
21 FISCAL YEAR NO LATER THAN 60 DAYS AFTER THE ORGANIZATION HAS
22 SUBMITTED THE INFORMATION REQUIRED UNDER THIS SECTION.

23 (F) PUBLICATION.--THE DEPARTMENT SHALL ANNUALLY PUBLISH A
24 LIST OF EACH SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN
25 SCHOLARSHIP ORGANIZATION [OR], EDUCATIONAL IMPROVEMENT
26 ORGANIZATION AND OPPORTUNITY SCHOLARSHIP ORGANIZATION QUALIFIED
27 UNDER THIS SECTION IN THE PENNSYLVANIA BULLETIN. THE LIST SHALL
28 ALSO BE POSTED AND UPDATED AS NECESSARY ON THE PUBLICLY
29 ACCESSIBLE INTERNET WEBSITE OF THE DEPARTMENT.

30 SECTION 5. SECTION 1704-F OF THE ACT, ADDED DECEMBER 9, 2009

1 (P.L.451, NO.48), IS AMENDED TO READ:

2 SECTION 1704-F. APPLICATION BY BUSINESS FIRMS.

3 (A) SCHOLARSHIP ORGANIZATION [OR] PRE-KINDERGARTEN
4 SCHOLARSHIP ORGANIZATION OR OPPORTUNITY SCHOLARSHIP
5 ORGANIZATION.--A BUSINESS FIRM SHALL APPLY TO THE DEPARTMENT FOR
6 A TAX CREDIT FOR CONTRIBUTIONS TO A SCHOLARSHIP ORGANIZATION,
7 PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION OR OPPORTUNITY
8 SCHOLARSHIP ORGANIZATION UNDER SECTION 1705-F. A BUSINESS FIRM
9 SHALL RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF THE SCHOLARSHIP
10 ORGANIZATION [OR] PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATION OR
11 OPPORTUNITY SCHOLARSHIP ORGANIZATION THAT RECEIVES THE
12 CONTRIBUTION APPEARS ON THE LIST ESTABLISHED UNDER SECTION 1703-
13 F(F), SUBJECT TO THE LIMITATIONS IN SECTIONS 1705-F AND 1706-F.

14 (B) EDUCATIONAL IMPROVEMENT ORGANIZATION.--A BUSINESS FIRM
15 MUST APPLY TO THE DEPARTMENT FOR A CREDIT FOR A CONTRIBUTION TO
16 AN EDUCATIONAL IMPROVEMENT ORGANIZATION UNDER SECTION 1705-F. A
17 BUSINESS FIRM SHALL RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF
18 THE DEPARTMENT HAS APPROVED THE PROGRAM PROVIDED BY THE
19 EDUCATIONAL IMPROVEMENT ORGANIZATION THAT RECEIVES THE
20 CONTRIBUTION, SUBJECT TO THE LIMITATIONS IN SECTIONS 1705-F AND
21 1706-F.

22 (C) AVAILABILITY OF TAX CREDITS.--TAX CREDITS UNDER THIS
23 ARTICLE SHALL BE MADE AVAILABLE BY THE DEPARTMENT ON A FIRST-
24 COME, FIRST-SERVED BASIS WITHIN THE LIMITATION ESTABLISHED UNDER
25 SECTION 1706-F(A).

26 (D) CONTRIBUTIONS.--A CONTRIBUTION BY A BUSINESS FIRM TO A
27 SCHOLARSHIP ORGANIZATION, PRE-KINDERGARTEN SCHOLARSHIP
28 ORGANIZATION, OPPORTUNITY SCHOLARSHIP ORGANIZATION OR
29 EDUCATIONAL IMPROVEMENT ORGANIZATION SHALL BE MADE NO LATER THAN
30 60 DAYS FOLLOWING THE APPROVAL OF AN APPLICATION UNDER

1 SUBSECTION (A) OR (B).

2 (E) APPLICATION IN THE ALTERNATIVE.--AT THE TIME OF
3 APPLICATION FOR AN EDUCATIONAL IMPROVEMENT OR OPPORTUNITY
4 SCHOLARSHIP TAX CREDIT, THE DEPARTMENT SHALL ADVISE A BUSINESS
5 FIRM THAT THE FIRM MAY ELECT THAT ITS APPLICATION FOR A
6 PARTICULAR CREDIT SHOULD, IN THE ALTERNATIVE, BE DEEMED AN
7 APPLICATION FOR A DIFFERENT TAX CREDIT AUTHORIZED UNDER THIS
8 SECTION IF THE BUSINESS FIRM'S PREFERRED CHOICE OF TAX CREDIT IS
9 NOT AVAILABLE. WHEN A BUSINESS FIRM DOES NOT RECEIVE ITS
10 PREFERRED CHOICE OF TAX CREDIT, THE DEPARTMENT SHALL PROMPTLY
11 CONSIDER THE BUSINESS FIRM'S APPLICATION IN THE ALTERNATIVE FOR
12 A DIFFERENT TAX CREDIT AUTHORIZED UNDER THIS SECTION.

13 SECTION 4. SECTIONS 1705-F AND 1706-F OF THE ACT, AMENDED
14 JULY 2, 2012 (P.L.751, NO.85), ARE AMENDED TO READ:
15 SECTION 1705-F. TAX [CREDIT] CREDITS.

16 (A) SCHOLARSHIP OR EDUCATIONAL IMPROVEMENT ORGANIZATIONS.--
17 IN ACCORDANCE WITH SECTION [1706-F(A)] 1706-F, THE DEPARTMENT OF
18 REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY [TAX DUE UNDER
19 ARTICLE III, IV, VI, VII, VIII, IX OR XV OR UNDER ARTICLE XVI OF
20 THE ACT OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE
21 INSURANCE COMPANY LAW OF 1921,] APPLICABLE TAX TO A BUSINESS
22 FIRM PROVIDING PROOF OF A CONTRIBUTION TO A SCHOLARSHIP
23 ORGANIZATION OR EDUCATIONAL IMPROVEMENT ORGANIZATION IN THE
24 TAXABLE YEAR IN WHICH THE CONTRIBUTION IS MADE [WHICH] IN
25 ACCORDANCE WITH THE FOLLOWING:

26 (1) THE TAX CREDIT SHALL NOT EXCEED 75% OF THE TOTAL
27 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
28 FIRM.

29 (2) FOR FISCAL YEAR [2012-2013, THE TAX CREDIT SHALL NOT
30 EXCEED \$400,000 ANNUALLY PER BUSINESS FIRM FOR CONTRIBUTIONS

1 MADE TO SCHOLARSHIP ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT
2 ORGANIZATIONS. FOR FISCAL YEAR 2013-2014] 2014-2015, AND EACH
3 FISCAL YEAR THEREAFTER, THE TAX CREDIT SHALL NOT EXCEED
4 \$750,000 ANNUALLY PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO
5 SCHOLARSHIP ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT
6 ORGANIZATIONS[.] EXCEPT AS PROVIDED UNDER SUBSECTION (I).

7 (A.1) OPPORTUNITY SCHOLARSHIP ORGANIZATIONS.--IN ACCORDANCE
8 WITH SECTION 1706-F, THE DEPARTMENT OF REVENUE SHALL GRANT A TAX
9 CREDIT AGAINST ANY APPLICABLE TAX TO A BUSINESS FIRM PROVIDING
10 PROOF OF A CONTRIBUTION TO AN OPPORTUNITY SCHOLARSHIP
11 ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE CONTRIBUTION IS
12 MADE IN ACCORDANCE WITH THE FOLLOWING:

13 (1) THE TAX CREDIT SHALL NOT EXCEED 75% OF THE TOTAL
14 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
15 FIRM.

16 (2) FOR FISCAL YEAR 2014-2015, AND EACH FISCAL YEAR
17 THEREAFTER, THE TAX CREDIT SHALL NOT EXCEED \$750,000 ANNUALLY
18 PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO OPPORTUNITY
19 SCHOLARSHIP ORGANIZATIONS, EXCEPT AS PROVIDED IN SUBSECTION
20 (I).

21 (B) ADDITIONAL AMOUNT.--[THE] IN ACCORDANCE WITH SECTION
22 1706-F, THE DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT OF UP
23 TO 90% OF THE TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR
24 IF THE BUSINESS FIRM PROVIDES A WRITTEN COMMITMENT TO PROVIDE
25 THE SCHOLARSHIP ORGANIZATION [OR], EDUCATIONAL IMPROVEMENT
26 ORGANIZATION OR OPPORTUNITY SCHOLARSHIP ORGANIZATION WITH THE
27 SAME AMOUNT OF CONTRIBUTION FOR TWO CONSECUTIVE TAX YEARS. THE
28 BUSINESS FIRM MUST PROVIDE THE WRITTEN COMMITMENT UNDER THIS
29 SUBSECTION TO THE DEPARTMENT AT THE TIME OF APPLICATION.

30 (C) PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS.--IN

1 ACCORDANCE WITH SECTION [1706-F(A)] 1706-F, THE DEPARTMENT OF
2 REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY [TAX DUE UNDER
3 ARTICLE III, IV, VI, VII, VIII, IX OR XV OR UNDER ARTICLE XVI OF
4 THE INSURANCE COMPANY LAW OF 1921] APPLICABLE TAX TO A BUSINESS
5 FIRM PROVIDING PROOF OF A CONTRIBUTION TO A PRE-KINDERGARTEN
6 SCHOLARSHIP ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE
7 CONTRIBUTION IS MADE [WHICH] IN ACCORDANCE WITH THE FOLLOWING:

8 (1) THE TAX CREDIT SHALL BE EQUAL TO 100% OF THE FIRST
9 \$10,000 CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
10 FIRM[,] AND [WHICH] SHALL NOT EXCEED 90% OF THE REMAINING
11 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
12 FIRM. AT THE TIME OF APPLICATION, A BUSINESS FIRM MAY PROVIDE
13 A WRITTEN COMMITMENT TO THE DEPARTMENT TO PROVIDE THE PRE-
14 KINDERGARTEN SCHOLARSHIP ORGANIZATION WITH AT LEAST THE SAME
15 AMOUNT OF CONTRIBUTION FOR TWO CONSECUTIVE YEARS.

16 (2) [SUCH] THE TAX CREDIT SHALL NOT EXCEED \$200,000
17 ANNUALLY PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO PRE-
18 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS, EXCEPT AS PROVIDED IN
19 SUBSECTION (I).

20 (D) COMBINATION OF TAX CREDITS.--[A] IN ACCORDANCE WITH
21 SECTION 1706-F, A BUSINESS FIRM MAY RECEIVE TAX CREDITS FROM THE
22 DEPARTMENT OF REVENUE IN ANY TAX YEAR FOR ANY COMBINATION OF
23 CONTRIBUTIONS UNDER [SUBSECTION (A) OR (B) OR (C)] SUBSECTION
24 (A), (A.1), (B) OR (C). [IN] EXCEPT AS PROVIDED IN SUBSECTION
25 (I), IN NO CASE MAY A BUSINESS FIRM RECEIVE TAX CREDITS IN ANY
26 TAX YEAR IN EXCESS OF THE FOLLOWING:

27 (1) [\$400,000 FOR] \$750,000 FOR COMBINED CONTRIBUTIONS
28 [UNDER SUBSECTIONS (A) AND (B) MADE DURING FISCAL YEAR 2012-
29 2013 OR IN EXCESS OF] TO SCHOLARSHIP AND EDUCATIONAL
30 IMPROVEMENT ORGANIZATIONS UNDER SUBSECTIONS (A) AND (B).

1 (2) \$750,000 FOR CONTRIBUTIONS [UNDER SUBSECTIONS (A)
2 AND (B) MADE AFTER FISCAL YEAR 2012-2013. IN NO CASE SHALL A
3 BUSINESS FIRM RECEIVE TAX CREDITS IN ANY TAX YEAR IN EXCESS
4 OF] TO OPPORTUNITY SCHOLARSHIP ORGANIZATIONS UNDER
5 SUBSECTIONS (A.1) AND (B).

6 (3) \$200,000 FOR CONTRIBUTIONS [UNDER SUBSECTION (C)] TO
7 PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS UNDER SUBSECTION
8 (C).

9 (E) PASS-THROUGH ENTITY.--

10 (1) IF A PASS-THROUGH ENTITY DOES NOT INTEND TO USE ALL
11 APPROVED TAX CREDITS UNDER THIS SECTION, IT MAY ELECT IN
12 WRITING TO [TRANSFER] DISTRIBUTE FOR NO CONSIDERATION ALL OR
13 A PORTION OF THE CREDIT TO SHAREHOLDERS, MEMBERS OR PARTNERS
14 IN PROPORTION TO THE [SHARE OF THE ENTITY'S DISTRIBUTIVE
15 INCOME TO WHICH] PERCENTAGE INTEREST OF THE SHAREHOLDER,
16 MEMBER OR PARTNER [IS ENTITLED FOR USE] IN DISTRIBUTIONS FROM
17 THE PASS-THROUGH ENTITY, WHICH CREDITS MAY BE USED BY THE
18 SHAREHOLDERS, MEMBERS OR PARTNERS IN THE TAXABLE YEAR IN
19 WHICH THE CONTRIBUTION IS MADE OR IN THE TAXABLE YEAR
20 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE CONTRIBUTION IS
21 MADE. THE ELECTION SHALL DESIGNATE THE YEAR IN WHICH THE
22 [TRANSFERRED] DISTRIBUTED CREDITS ARE TO BE USED AND SHALL BE
23 MADE ACCORDING TO PROCEDURES ESTABLISHED BY THE DEPARTMENT OF
24 REVENUE. A PASS-THROUGH ENTITY THAT RECEIVED A DISTRIBUTION
25 FROM A PASS-THROUGH ENTITY UNDER THIS PARAGRAPH MAY MAKE A
26 DISTRIBUTION UNDER THIS PARAGRAPH.

27 (2) A PASS-THROUGH ENTITY AND A SHAREHOLDER, MEMBER OR
28 PARTNER OF A PASS-THROUGH ENTITY SHALL NOT CLAIM THE CREDIT
29 UNDER THIS SECTION FOR THE SAME CONTRIBUTION.

30 (3) THE SHAREHOLDER, MEMBER OR PARTNER MAY NOT CARRY

1 FORWARD, CARRY BACK, OBTAIN A REFUND OF OR SELL OR ASSIGN THE
2 CREDIT.

3 (4) AN INDIVIDUAL SHAREHOLDER, PARTNER OR MEMBER MAY
4 APPLY A CREDIT DISTRIBUTED UNDER THIS SECTION TO INCOME
5 TAXABLE UNDER ARTICLE III TO THE SHAREHOLDER, PARTNER OR
6 MEMBER, TO THE SPOUSE OF THE SHAREHOLDER, PARTNER OR MEMBER
7 OR TO BOTH, IF BOTH THE SHAREHOLDER, PARTNER OR MEMBER AND
8 THE SPOUSE REPORT INCOME ON A JOINT PERSONAL INCOME TAX
9 RETURN.

10 (F) RESTRICTION ON APPLICABILITY OF CREDITS.--NO CREDITS
11 GRANTED UNDER THIS SECTION SHALL BE APPLIED AGAINST ANY TAX
12 WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III.

13 (G) TIME OF APPLICATION FOR CREDITS.--

14 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), THE DEPARTMENT
15 MAY ACCEPT APPLICATIONS FOR TAX CREDITS AVAILABLE DURING A
16 FISCAL YEAR NO EARLIER THAN JULY 1 OF EACH FISCAL YEAR.

17 (2) THE APPLICATION OF ANY BUSINESS FIRM FOR TAX CREDITS
18 AVAILABLE DURING A FISCAL YEAR AS PART OF THE SECOND YEAR OF
19 A TWO-YEAR COMMITMENT OR AS A RENEWAL OF A TWO-YEAR
20 COMMITMENT WHICH WAS FULFILLED IN THE PREVIOUS FISCAL YEAR
21 MAY BE ACCEPTED NO EARLIER THAN MAY 15 PRECEDING THE FISCAL
22 YEAR.

23 (H) WAITING LIST.--THE DEPARTMENT SHALL MAINTAIN A WAITING
24 LIST CONSISTING OF EACH BUSINESS FIRM WHICH CHOOSES TO BE
25 INCLUDED ON THE LIST AND WHOSE APPLICATION HAS NOT BEEN APPROVED
26 BECAUSE ALL AVAILABLE TAX CREDITS HAVE BEEN AWARDED. A BUSINESS
27 FIRM THAT WAS NOT AWARDED A TAX CREDIT DUE TO A LACK OF
28 AVAILABLE TAX CREDITS SHALL BE NOTIFIED OF AND OFFERED A PLACE
29 ON THE WAITING LIST. WHEN TAX CREDITS BECOME AVAILABLE, THE
30 DEPARTMENT SHALL AWARD THE TAX CREDITS TO THE BUSINESS FIRMS IN

1 THE ORDER IN WHICH THE BUSINESS FIRMS WERE PLACED ON THE WAITING
2 LIST.

3 (I) TEMPORARY INCREASE IN MAXIMUM TAX CREDITS AVAILABLE.--

4 (1) IF ALL TAX CREDITS AUTHORIZED UNDER THIS ARTICLE FOR
5 CONTRIBUTIONS TO THE CATEGORY OF SCHOLARSHIP ORGANIZATIONS,
6 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN
7 SCHOLARSHIP ORGANIZATIONS HAVE NOT BEEN AWARDED AS OF OCTOBER
8 1 OF ANY FISCAL YEAR, THEN FOR APPLICATIONS ACCEPTED BY THE
9 DEPARTMENT FROM OCTOBER 1 THROUGH NOVEMBER 30 OF SUCH FISCAL
10 YEAR, THE LIMITATIONS SET FORTH IN SUBSECTIONS (A), (A.1),
11 (C) AND (D) RELATING TO THE MAXIMUM AMOUNT OF TAX CREDITS A
12 BUSINESS FIRM CAN RECEIVE DURING A FISCAL YEAR FOR
13 CONTRIBUTIONS TO EACH SUCH CATEGORY OF ORGANIZATIONS SHALL
14 NOT APPLY. UNDER THIS PARAGRAPH, THE DEPARTMENT MAY ACCEPT
15 APPLICATIONS UNDER SECTION 1704-F FROM OCTOBER 1 THROUGH
16 NOVEMBER 30 AS FOLLOWS:

17 (I) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM THAT
18 ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS AVAILABLE
19 PURSUANT TO SUBSECTIONS (A) AND (D), MAY APPLY UNDER
20 SECTION 1704-F(A) FOR UP TO THE TOTAL AMOUNT OF TAX
21 CREDITS REMAINING AVAILABLE FOR CONTRIBUTIONS TO
22 SCHOLARSHIP ORGANIZATIONS FOR THE FISCAL YEAR AS SET
23 FORTH IN SECTION 1706-F(A) (1).

24 (II) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM THAT
25 ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS AVAILABLE
26 PURSUANT TO SUBSECTIONS (A.1) AND (D), MAY APPLY UNDER
27 SECTION 1704-F(A) FOR UP TO THE TOTAL AMOUNT OF TAX
28 CREDITS REMAINING AVAILABLE FOR CONTRIBUTIONS TO
29 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS FOR THE FISCAL YEAR
30 AS SET FORTH IN SECTION 1706-F(A) (3).

1 (III) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM
2 THAT ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS
3 AVAILABLE PURSUANT TO SUBSECTIONS (C) AND (D), MAY APPLY
4 UNDER SECTION 1704-F(A) FOR UP TO THE TOTAL AMOUNT OF TAX
5 CREDITS REMAINING AVAILABLE FOR CONTRIBUTIONS TO PRE-
6 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS FOR THE FISCAL
7 YEAR AS SET FORTH IN SECTION 1706-F(A) (2).

8 (2) THE PROVISIONS OF SUBSECTION (B) SHALL NOT APPLY TO
9 APPLICATIONS FOR TAX CREDITS MADE UNDER THIS SUBSECTION. TAX
10 CREDITS AWARDED UNDER THIS SUBSECTION SHALL NOT EXCEED 75% OF
11 THE TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY A
12 BUSINESS FIRM PURSUANT TO AN APPLICATION FILED UNDER THIS
13 SUBSECTION.

14 (3) PRIOR TO THE AWARD OF TAX CREDITS APPLIED FOR UNDER
15 THIS SUBSECTION, THE DEPARTMENT SHALL FIRST AWARD TAX CREDITS
16 APPLIED FOR BY A BUSINESS FIRM DURING THE PERIOD OCTOBER 1
17 THROUGH NOVEMBER 30 IN AN AMOUNT NO GREATER THAN THE MAXIMUM
18 AMOUNT OF TAX CREDITS FOR WHICH A BUSINESS FIRM IS ELIGIBLE
19 UNDER SUBSECTIONS (A), (A.1), (C) AND (D). THE TAX CREDITS
20 SHALL BE AWARDED ON A FIRST-COME, FIRST-SERVED BASIS AS SET
21 FORTH IN SECTION 1704-F(C).

22 (4) AFTER THE DEPARTMENT HAS AWARDED TAX CREDITS UNDER
23 PARAGRAPH (3), ANY TAX CREDITS REMAINING AVAILABLE WITHIN THE
24 CATEGORY OF SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY
25 SCHOLARSHIP ORGANIZATIONS AND PRE-KINDERGARTEN SCHOLARSHIP
26 ORGANIZATIONS SHALL BE AWARDED BASED ON THE TOTAL AMOUNT OF
27 TAX CREDITS WITHIN EACH CATEGORY OF ORGANIZATION FOR WHICH
28 APPLICATIONS ARE RECEIVED UNDER THIS SUBSECTION FROM OCTOBER
29 1 THROUGH NOVEMBER 30 OF THE FISCAL YEAR AS FOLLOWS:

30 (I) IF THE TOTAL AMOUNT OF TAX CREDITS APPLIED FOR

1 BY ALL BUSINESS FIRMS UNDER THIS SUBSECTION DOES NOT
2 EXCEED THE TOTAL AMOUNT OF TAX CREDITS THAT REMAINED
3 AVAILABLE FOR AWARD WITHIN A CATEGORY AS OF OCTOBER 1,
4 LESS THOSE TAX CREDITS AWARDED UNDER SUBSECTION (I) (3),
5 THEN EACH BUSINESS FIRM MAY BE AWARDED THE FULL AMOUNT OF
6 TAX CREDITS APPLIED FOR.

7 (II) IF THE TOTAL AMOUNT OF TAX CREDITS APPLIED FOR
8 BY ALL BUSINESS FIRMS UNDER THIS SUBSECTION EXCEEDS THE
9 TOTAL AMOUNT OF TAX CREDITS THAT REMAINED AVAILABLE FOR
10 AWARD WITHIN A CATEGORY AS OF OCTOBER 1, LESS THOSE TAX
11 CREDITS AWARDED UNDER SUBSECTION (I) (3), THEN EACH
12 BUSINESS FIRM MAY BE AWARDED AN AMOUNT OF TAX CREDITS
13 DETERMINED BY MULTIPLYING THE AMOUNT OF TAX CREDITS
14 APPLIED FOR BY THE BUSINESS FIRM BY A RATIO, THE
15 NUMERATOR OF WHICH IS THE TOTAL AMOUNT OF TAX CREDITS
16 THAT REMAINED AVAILABLE FOR AWARD WITHIN THE CATEGORY AS
17 OF OCTOBER 1, LESS THOSE AWARDED AS SET FORTH IN
18 SUBSECTION (I) (3), AND THE DENOMINATOR OF WHICH IS THE
19 TOTAL AMOUNT OF TAX CREDITS APPLIED FOR BY ALL BUSINESS
20 FIRMS UNDER THIS SUBSECTION.

21 (5) NOTWITHSTANDING A TEMPORARY INCREASE IN MAXIMUM TAX
22 CREDITS AVAILABLE UNDER THIS SUBSECTION, THE LIMITATIONS SET
23 FORTH IN SUBSECTIONS (A), (A.1), (C) AND (D) RELATING TO THE
24 MAXIMUM AMOUNT OF TAX CREDITS A BUSINESS FIRM CAN RECEIVE
25 DURING A YEAR FOR CONTRIBUTIONS TO A CATEGORY OF SCHOLARSHIP
26 ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-
27 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS SHALL BE REINSTATED
28 FOR ALL APPLICATIONS ACCEPTED BY THE DEPARTMENT ON OR AFTER
29 DECEMBER 1 OF THE FISCAL YEAR.

30 (J) REALLOCATION OF TAX CREDITS.--

1 (1) BEGINNING ON JANUARY 1 OF ANY FISCAL YEAR, IF ANY
2 TAX CREDITS AUTHORIZED UNDER THIS ARTICLE FOR CONTRIBUTIONS
3 TO ANY OF THE CATEGORIES OF SCHOLARSHIP ORGANIZATIONS,
4 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN
5 SCHOLARSHIP ORGANIZATIONS REMAIN UNAWARDED, SUCH UNAWARDED
6 TAX CREDITS MAY BE REALLOCATED TO ANY OF THE CATEGORIES OF
7 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP
8 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS
9 FOR WHICH ALL AVAILABLE TAX CREDITS HAVE BEEN AWARDED. THE
10 DEPARTMENT SHALL, WITHIN TEN BUSINESS DAYS, INFORM EACH
11 BUSINESS FIRM ON THE WAITING LIST MAINTAINED BY THE
12 DEPARTMENT UNDER SUBSECTION (H) THAT TAX CREDITS REMAIN
13 AVAILABLE UNDER ANOTHER CATEGORY FOR WHICH THE BUSINESS FIRM
14 HAS NOT YET APPLIED. IF A BUSINESS FIRM NOTIFIED UNDER THIS
15 PARAGRAPH ELECTS, THE DEPARTMENT SHALL REALLOCATE AVAILABLE
16 TAX CREDITS FOR AWARD TO THE BUSINESS FIRM IN THE BUSINESS
17 FIRM'S PREFERRED TAX CREDIT CATEGORY, NOTWITHSTANDING THE
18 LIMITATIONS CONTAINED IN SECTION 1706-F(A). THE AMOUNT OF TAX
19 CREDITS TO BE AWARDED TO A BUSINESS FIRM UNDER THIS PARAGRAPH
20 SHALL NOT EXCEED THE AMOUNT OF TAX CREDITS AVAILABLE FOR
21 REALLOCATION OR THE MAXIMUM AMOUNT OF TAX CREDITS FOR WHICH A
22 BUSINESS FIRM IS ELIGIBLE UNDER SUBSECTIONS (A), (A.1), (C)
23 AND (D). EACH BUSINESS FIRM SHALL HAVE TEN BUSINESS DAYS FROM
24 THE DATE OF THE DEPARTMENT'S NOTICE TO ELECT A REALLOCATION
25 OF TAX CREDITS UNDER THIS PARAGRAPH. THE DEPARTMENT SHALL
26 AWARD TAX CREDITS ON A FIRST-COME, FIRST-SERVED BASIS.

27 (2) AFTER THE DEPARTMENT HAS AWARDED TAX CREDITS UNDER
28 PARAGRAPH (1), THE DEPARTMENT SHALL ACCEPT NEW APPLICATIONS
29 FOR REALLOCATION OF TAX CREDITS FROM ANY OF THE CATEGORIES OF
30 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP

1 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS
2 FOR WHICH TAX CREDITS REMAIN AVAILABLE TO THE APPLICANT'S
3 PREFERRED CATEGORY OF SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY
4 SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP
5 ORGANIZATIONS FOR WHICH ALL AVAILABLE TAX CREDITS HAVE BEEN
6 AWARDED, NOTWITHSTANDING ANY LIMITATIONS CONTAINED IN SECTION
7 1706-F(A). THE AMOUNT OF TAX CREDITS TO BE AWARDED TO A
8 BUSINESS FIRM UNDER THIS PARAGRAPH SHALL NOT EXCEED THE
9 AMOUNT OF TAX CREDITS AVAILABLE FOR REALLOCATION OR THE
10 MAXIMUM AMOUNT OF TAX CREDITS FOR WHICH A BUSINESS FIRM IS
11 ELIGIBLE UNDER SUBSECTIONS (A), (A.1), (C) AND (D). THE
12 DEPARTMENT SHALL AWARD TAX CREDITS ON A FIRST-COME, FIRST-
13 SERVED BASIS.

14 (3) NO TAX CREDITS SHALL BE AWARDED UNDER THIS
15 SUBSECTION UNTIL THE DEPARTMENT HAS COMPLETED THE AWARD OF
16 TAX CREDITS FOR APPLICATIONS MADE UNDER SUBSECTION (I).

17 (4) THE DEPARTMENT SHALL NOT REALLOCATE TAX CREDITS FROM
18 ANY OF THE CATEGORIES OF SCHOLARSHIP ORGANIZATIONS,
19 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS OR PRE-KINDERGARTEN
20 SCHOLARSHIP ORGANIZATIONS TO THE CATEGORY OF EDUCATIONAL
21 IMPROVEMENT ORGANIZATIONS.

22 (5) SUBSECTIONS (B) AND (G) SHALL NOT APPLY TO AN
23 APPLICATION FOR REALLOCATION OF TAX CREDITS UNDER THIS
24 SUBSECTION.

25 SECTION 1706-F. LIMITATIONS.

26 (A) AMOUNT.--

27 (1) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
28 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP
29 ORGANIZATIONS, EDUCATIONAL IMPROVEMENT ORGANIZATIONS AND PRE-
30 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS SHALL NOT EXCEED

1 \$100,000,000 IN A FISCAL YEAR.

2 (I) NO LESS THAN \$60,000,000 OF THE TOTAL AGGREGATE
3 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR
4 CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP
5 ORGANIZATIONS.

6 (II) NO LESS THAN \$30,000,000 OF THE TOTAL AGGREGATE
7 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR
8 CONTRIBUTIONS FROM BUSINESS FIRMS TO EDUCATIONAL
9 IMPROVEMENT ORGANIZATIONS.

10 [(2) THE FOLLOWING APPLY TO SPECIFIC FISCAL YEARS:

11 (I) FOR FISCAL YEARS 2004-2005, 2005-2006 AND 2006-
12 2007, THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
13 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO PRE-
14 KINDERGARTEN SCHOLARSHIP PROGRAMS SHALL NOT EXCEED
15 \$5,000,000 IN A FISCAL YEAR.

16 (II) FOR FISCAL YEARS 2007-2008, 2008-2009, 2009-
17 2010, 2010-2011 AND 2011-2012, THE]

18 (III) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
19 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO PRE-
20 KINDERGARTEN SCHOLARSHIP [PROGRAMS] ORGANIZATIONS SHALL
21 NOT EXCEED [\$8,000,000] \$10,000,000 IN A FISCAL YEAR.

22 [(III) FOR FISCAL YEAR 2012-2013 AND EACH FISCAL
23 YEAR THEREAFTER, THE]

24 (2) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
25 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO [PRE-
26 KINDERGARTEN SCHOLARSHIP PROGRAMS] OPPORTUNITY SCHOLARSHIP
27 ORGANIZATIONS SHALL NOT EXCEED [\$10,000,000] \$50,000,000 IN A
28 FISCAL YEAR.

29 (B) ACTIVITIES.--NO TAX CREDIT SHALL BE APPROVED FOR
30 ACTIVITIES THAT ARE A PART OF A BUSINESS FIRM'S NORMAL COURSE OF

1 BUSINESS.

2 (C) TAX LIABILITY.--

3 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), A TAX CREDIT
4 GRANTED FOR ANY ONE TAXABLE YEAR MAY NOT EXCEED THE TAX
5 LIABILITY OF A BUSINESS FIRM.

6 (2) IN THE CASE OF A CREDIT GRANTED TO A PASS-THROUGH
7 ENTITY WHICH ELECTS TO [TRANSFER] DISTRIBUTE THE CREDIT
8 ACCORDING TO SECTION 1705-F(E), A TAX CREDIT GRANTED FOR ANY
9 ONE TAXABLE YEAR AND [TRANSFERRED] DISTRIBUTED TO A
10 SHAREHOLDER, MEMBER OR PARTNER MAY NOT EXCEED THE TAX
11 LIABILITY OF THE SHAREHOLDER, MEMBER OR PARTNER.

12 (D) USE.--A TAX CREDIT NOT USED BY THE APPLICANT IN THE
13 TAXABLE YEAR THE CONTRIBUTION WAS MADE OR IN THE YEAR DESIGNATED
14 BY THE SHAREHOLDER, MEMBER OR PARTNER TO WHOM THE CREDIT WAS
15 TRANSFERRED UNDER SECTION 1705-F(E) MAY NOT BE CARRIED FORWARD
16 OR CARRIED BACK AND IS NOT REFUNDABLE OR TRANSFERABLE.

17 (E) NONTAXABLE INCOME.--A SCHOLARSHIP FROM ANY CATEGORY OF
18 ORGANIZATION RECEIVED BY AN ELIGIBLE STUDENT OR ELIGIBLE PRE-
19 KINDERGARTEN STUDENT SHALL NOT BE CONSIDERED TO BE TAXABLE
20 INCOME FOR THE PURPOSES OF ARTICLE III.

21 (F) FINANCIAL ASSISTANCE.--A SCHOLARSHIP FROM ANY CATEGORY
22 OF ORGANIZATION RECEIVED BY AN ELIGIBLE STUDENT OR ELIGIBLE PRE-
23 KINDERGARTEN STUDENT SHALL NOT CONSTITUTE AN APPROPRIATION OR
24 FINANCIAL ASSISTANCE TO THE SCHOOL ATTENDED BY THE RECIPIENT.

25 SECTION 5. SECTION 1707-F OF THE ACT, ADDED OCTOBER 9, 2009
26 (P.L.451, NO.48), IS AMENDED TO READ:

27 SECTION 1707-F. LISTS.

28 THE DEPARTMENT OF REVENUE SHALL PROVIDE A LIST OF ALL
29 SCHOLARSHIP ORGANIZATIONS, PRE-KINDERGARTEN SCHOLARSHIP
30 ORGANIZATIONS [AND] L EDUCATIONAL IMPROVEMENT ORGANIZATIONS AND

1 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS RECEIVING CONTRIBUTIONS
2 FROM BUSINESS FIRMS GRANTED A TAX CREDIT UNDER THIS ARTICLE TO
3 THE GENERAL ASSEMBLY BY JUNE 30TH OF EACH YEAR.

4 SECTION 6. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:
5 SECTION 1709-F. OPPORTUNITY SCHOLARSHIPS.

6 (A) NOTICE.--BY FEBRUARY 1 OF EACH YEAR, THE DEPARTMENT
7 SHALL PROVIDE ALL OPPORTUNITY SCHOLARSHIP ORGANIZATIONS WITH A
8 LIST OF THE LOW-ACHIEVING SCHOOLS LOCATED WITHIN EACH SCHOOL
9 DISTRICT.

10 (B) AWARD.--AN OPPORTUNITY SCHOLARSHIP ORGANIZATION MAY
11 AWARD AN OPPORTUNITY SCHOLARSHIP TO AN APPLICANT WHO RESIDES
12 WITHIN THE ATTENDANCE BOUNDARY OF A LOW-ACHIEVING SCHOOL TO
13 ATTEND A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
14 NONPUBLIC SCHOOL SELECTED BY THE PARENT OF THE APPLICANT. IF AN
15 APPLICANT WHO RECEIVED AN OPPORTUNITY SCHOLARSHIP FOR THE PRIOR
16 SCHOOL YEAR RESIDES WITHIN THE ATTENDANCE BOUNDARY OF A SCHOOL
17 THAT WAS REMOVED FROM THE LIST OF LOW-ACHIEVING SCHOOLS PROVIDED
18 BY THE DEPARTMENT UNDER SUBSECTION (A), THE APPLICANT MAY
19 RECEIVE AN OPPORTUNITY SCHOLARSHIP. THE OPPORTUNITY SCHOLARSHIP
20 MAY BE FOR EACH YEAR OF ENROLLMENT IN A PARTICIPATING PUBLIC
21 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL FOR UP TO THE LESSER OF
22 FIVE YEARS OR UNTIL COMPLETION OF GRADE 12, PROVIDED THE
23 APPLICANT OTHERWISE REMAINS ELIGIBLE. IN AWARDING SCHOLARSHIPS,
24 AN OPPORTUNITY SCHOLARSHIP ORGANIZATION SHALL GIVE PREFERENCE TO
25 ANY OF THE FOLLOWING:

26 (1) AN APPLICANT WHO RECEIVED AN OPPORTUNITY SCHOLARSHIP
27 FOR THE PRIOR SCHOOL YEAR.

28 (2) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
29 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
30 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE

1 APPLICATION IS BEING MADE.

2 (3) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
3 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
4 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
5 APPLICATION IS BEING MADE AND WHO RESIDES WITHIN ANY OF THE
6 FOLLOWING:

7 (I) A FIRST CLASS SCHOOL DISTRICT.

8 (II) A SCHOOL DISTRICT DESIGNATED AS A FINANCIAL
9 RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A OF THE
10 PUBLIC SCHOOL CODE OF 1949 FOR THE YEAR FOR WHICH THE
11 AWARD IS MADE.

12 (C) HOME SCHOOLING.--AN OPPORTUNITY SCHOLARSHIP ORGANIZATION
13 SHALL NOT AWARD AN OPPORTUNITY SCHOLARSHIP TO AN APPLICANT FOR
14 ENROLLMENT IN A HOME EDUCATION PROGRAM UNDER SECTION 1327.1 OF
15 THE PUBLIC SCHOOL CODE OF 1949.

16 (D) FUNDING.--THE AGGREGATE AMOUNT OF OPPORTUNITY
17 SCHOLARSHIPS SHALL NOT EXCEED THE AGGREGATE AMOUNT OF
18 CONTRIBUTIONS MADE BY BUSINESS FIRMS TO THE OPPORTUNITY
19 SCHOLARSHIP ORGANIZATION.

20 (E) AMOUNT.--

21 (1) THE MAXIMUM AMOUNT OF AN OPPORTUNITY SCHOLARSHIP
22 AWARDED TO AN APPLICANT WITHOUT A DISABILITY SHALL BE \$8,500.

23 (2) THE MAXIMUM AMOUNT OF AN OPPORTUNITY SCHOLARSHIP
24 AWARDED TO AN APPLICANT WITH A DISABILITY SHALL BE \$15,000.

25 (3) IN NO CASE SHALL THE COMBINED AMOUNT OF THE
26 OPPORTUNITY SCHOLARSHIP AWARDED TO A RECIPIENT AND ANY
27 ADDITIONAL FINANCIAL ASSISTANCE PROVIDED TO THE RECIPIENT
28 EXCEED THE TUITION RATE AND SCHOOL-RELATED FEES FOR THE
29 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL
30 THAT THE RECIPIENT WILL ATTEND.

1 SECTION 1710-F. LOW-ACHIEVING SCHOOLS.

2 (A) LIST OF LOW-ACHIEVING SCHOOLS.--BY FEBRUARY 1 OF EACH
3 YEAR, THE DEPARTMENT OF EDUCATION SHALL PUBLISH ON THE
4 DEPARTMENT OF EDUCATION'S PUBLICLY ACCESSIBLE INTERNET WEBSITE
5 AND IN THE PENNSYLVANIA BULLETIN A LIST OF THE LOW-ACHIEVING
6 SCHOOLS FOR THE FOLLOWING SCHOOL YEAR.

7 (B) NOTICE.--BY FEBRUARY 1 OF EACH YEAR, THE DEPARTMENT OF
8 EDUCATION SHALL NOTIFY EVERY SCHOOL DISTRICT IDENTIFIED AS
9 HAVING AT LEAST ONE LOW-ACHIEVING SCHOOL OF SUCH IDENTIFICATION
10 AND SHALL FURNISH THE SCHOOL DISTRICT WITH A LIST OF THE LOW-
11 ACHIEVING SCHOOLS LOCATED WITHIN THE SCHOOL DISTRICT.

12 (C) PUBLICATION.--WITHIN 15 DAYS OF RECEIPT OF A
13 NOTIFICATION UNDER SUBSECTION (B), A SCHOOL DISTRICT SHALL POST
14 ON THE DISTRICT'S PUBLICLY ACCESSIBLE INTERNET WEBSITE NOTICE OF
15 ALL OF THE FOLLOWING:

16 (1) A DESCRIPTION OF THE OPPORTUNITY SCHOLARSHIP
17 PROGRAM.

18 (2) INSTRUCTIONS FOR APPLYING FOR AN OPPORTUNITY
19 SCHOLARSHIP.

20 (3) A LIST OF SCHOOLS IN THE SCHOOL DISTRICT THAT HAVE
21 BEEN DESIGNATED BY THE DEPARTMENT OF EDUCATION AS LOW-
22 ACHIEVING SCHOOLS.

23 (4) NOTICE THAT A PARENT MUST DIRECTLY CONTACT A SCHOOL
24 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
25 NONPUBLIC SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN
26 THE OPPORTUNITY SCHOLARSHIP PROGRAM.

27 (D) NOTIFICATION TO PARENTS.--

28 (1) WITHIN 15 DAYS OF RECEIPT OF A NOTIFICATION UNDER
29 SUBSECTION (B), A SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF
30 EACH STUDENT WHO IS CURRENTLY ATTENDING OR RESIDING WITHIN

1 THE ATTENDANCE BOUNDARY OF A LOW-ACHIEVING SCHOOL DURING THE
2 SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

3 (2) UPON REGISTRATION OF A KINDERGARTEN STUDENT, A
4 SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF THE KINDERGARTEN
5 STUDENT THAT THE STUDENT WILL BE ASSIGNED TO A LOW-ACHIEVING
6 SCHOOL DURING THE SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

7 (3) THE NOTICE SHALL BE IN A FORM PROVIDED BY THE
8 DEPARTMENT OF EDUCATION AND SHALL PROVIDE THE FOLLOWING
9 INFORMATION REGARDING THE OPPORTUNITY SCHOLARSHIP PROGRAM:

10 (I) A DESCRIPTION OF THE OPPORTUNITY SCHOLARSHIP
11 PROGRAM.

12 (II) INSTRUCTIONS FOR OBTAINING INFORMATION ABOUT
13 APPLYING FOR AN OPPORTUNITY SCHOLARSHIP UNDER THE
14 OPPORTUNITY SCHOLARSHIP PROGRAM.

15 (III) NOTICE OF THE PARENT'S RESPONSIBILITIES WITH
16 REGARD TO APPLYING TO A SCHOOL DISTRICT OF A
17 PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC
18 SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN THE
19 OPPORTUNITY SCHOLARSHIP PROGRAM.

20 (E) AVERAGE DAILY MEMBERSHIP.--

21 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
22 CONTRARY, A RECIPIENT WHO WAS ENROLLED IN THE RECIPIENT'S
23 RESIDENT SCHOOL DISTRICT OR IN A CHARTER SCHOOL, REGIONAL
24 CHARTER SCHOOL OR CYBER CHARTER SCHOOL WHEN THE RECIPIENT
25 FIRST RECEIVED AN OPPORTUNITY SCHOLARSHIP SHALL CONTINUE TO
26 BE COUNTED IN THE AVERAGE DAILY MEMBERSHIP OF THE SCHOOL
27 DISTRICT FOR A PERIOD OF ONE YEAR AFTER ENROLLING IN A
28 PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC
29 SCHOOL.

30 (2) DURING THE YEAR REFERENCED IN PARAGRAPH (1) AND EACH

1 SCHOOL YEAR THEREAFTER, A SCHOOL DISTRICT OF A PARTICIPATING
2 PUBLIC SCHOOL IN WHICH THE RECIPIENT IS ENROLLED SHALL NOT
3 INCLUDE THE RECIPIENT IN THE SCHOOL DISTRICT'S AVERAGE DAILY
4 MEMBERSHIP.

5 SECTION 1711-F. SCHOOL PARTICIPATION IN PROGRAM.

6 (A) ELECTION.--

7 (1) BY FEBRUARY 15 OF EACH YEAR, A NONPUBLIC SCHOOL MAY
8 ELECT TO PARTICIPATE IN THE OPPORTUNITY SCHOLARSHIP PROGRAM
9 FOR THE FOLLOWING SCHOOL YEAR.

10 (2) BY FEBRUARY 15 OF EACH YEAR, A SCHOOL DISTRICT MAY
11 ELECT TO PARTICIPATE IN THE OPPORTUNITY SCHOLARSHIP PROGRAM
12 FOR THE FOLLOWING SCHOOL YEAR.

13 (B) NOTICE.--

14 (1) A SCHOOL DISTRICT OR NONPUBLIC SCHOOL THAT ELECTS TO
15 PARTICIPATE UNDER SUBSECTION (A) MUST NOTIFY THE DEPARTMENT
16 OF EDUCATION OF THE DISTRICT'S OR NONPUBLIC SCHOOL'S INTENT
17 TO PARTICIPATE.

18 (2) FOR A SCHOOL DISTRICT, THE NOTICE UNDER PARAGRAPH
19 (1) MUST BE SUBMITTED ON A FORM DEVELOPED BY THE DEPARTMENT
20 OF EDUCATION AND SHALL SPECIFY ALL OF THE FOLLOWING:

21 (I) EACH SCHOOL WITHIN THE SCHOOL DISTRICT WHICH THE
22 SCHOOL DISTRICT INTENDS TO MAKE A PARTICIPATING PUBLIC
23 SCHOOL.

24 (II) THE AMOUNT OF TUITION AND SCHOOL-RELATED FEES
25 ATTRIBUTABLE TO EACH AVAILABLE SEAT. THE AMOUNT UNDER
26 THIS SUBPARAGRAPH SHALL NOT EXCEED THE AMOUNT CALCULATED
27 UNDER SECTION 2561 OF THE PUBLIC SCHOOL CODE OF 1949.

28 (3) FOR A NONPUBLIC SCHOOL, THE NOTICE UNDER PARAGRAPH
29 (1) MUST BE SUBMITTED ON A FORM DEVELOPED BY THE DEPARTMENT
30 OF EDUCATION AND SHALL SPECIFY THE AMOUNT OF TUITION AND

1 SCHOOL-RELATED FEES ATTRIBUTABLE TO AN AVAILABLE SEAT.

2 (C) TUITION RATES.--

3 (1) NO SCHOOL DISTRICT OF A PARTICIPATING PUBLIC SCHOOL
4 OR PARTICIPATING NONPUBLIC SCHOOL MAY CHARGE A RECIPIENT A
5 HIGHER TUITION RATE OR SCHOOL-RELATED FEE THAN THE SCHOOL
6 DISTRICT OF THE PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING
7 NONPUBLIC SCHOOL WOULD HAVE CHARGED TO A SIMILARLY SITUATED
8 STUDENT WHO IS NOT RECEIVING AN OPPORTUNITY SCHOLARSHIP.

9 (2) NOTWITHSTANDING THE PROVISIONS OF SECTION 2561 OF
10 THE PUBLIC SCHOOL CODE OF 1949, A SCHOOL DISTRICT OF A
11 PARTICIPATING PUBLIC SCHOOL MAY CHARGE A RECIPIENT A TUITION
12 RATE THAT IS LOWER THAN THAT CHARGED TO STUDENTS WHO ARE NOT
13 RECIPIENTS OF OPPORTUNITY SCHOLARSHIPS.

14 (D) PARTICIPATING PUBLIC SCHOOL CRITERIA.--THE FOLLOWING
15 CRITERIA APPLY TO A PARTICIPATING PUBLIC SCHOOL:

16 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, A
17 SCHOOL DISTRICT SHALL ENROLL STUDENTS IN A PARTICIPATING
18 PUBLIC SCHOOL ON A LOTTERY BASIS FROM A POOL OF RECIPIENTS
19 WHO MEET THE APPLICATION DEADLINE SET BY THE DEPARTMENT OF
20 EDUCATION UNTIL THE PARTICIPATING PUBLIC SCHOOL FILLS THE
21 SCHOOL'S AVAILABLE SEATS. THE POOL MAY NOT INCLUDE A
22 RECIPIENT WHO:

23 (I) HAS BEEN EXPELLED OR IS IN THE PROCESS OF BEING
24 EXPELLED UNDER SECTION 1317.2 OR 1318 OF THE PUBLIC
25 SCHOOL CODE OF 1949 AND APPLICABLE REGULATIONS OF THE
26 STATE BOARD OF EDUCATION.

27 (II) HAS BEEN RECRUITED BY THE SCHOOL DISTRICT OR
28 ITS REPRESENTATIVES FOR ATHLETIC PURPOSES.

29 (2) THE ENROLLMENT OF RECIPIENTS MAY NOT PLACE THE
30 SCHOOL DISTRICT IN VIOLATION OF A VALID AND BINDING

1 DESEGREGATION ORDER.

2 (3) PRIORITY SHALL BE GIVEN TO:

3 (I) AN EXISTING RECIPIENT.

4 (II) A RECIPIENT WHO IS A SIBLING OF A STUDENT

5 CURRENTLY ENROLLED IN THE SCHOOL DISTRICT.

6 (E) PARTICIPATING NONPUBLIC SCHOOL CRITERIA.--THE FOLLOWING
7 CRITERIA APPLY TO A PARTICIPATING NONPUBLIC SCHOOL:

8 (1) THE PARTICIPATING NONPUBLIC SCHOOL MAY NOT
9 DISCRIMINATE ON A BASIS WHICH IS ILLEGAL UNDER FEDERAL OR
10 STATE LAWS APPLICABLE TO NONPUBLIC SCHOOLS.

11 (2) THE PARTICIPATING NONPUBLIC SCHOOL SHALL COMPLY WITH
12 SECTION 1521 OF THE PUBLIC SCHOOL CODE OF 1949.

13 (3) THE PARTICIPATING NONPUBLIC SCHOOL OR ITS
14 REPRESENTATIVES MAY NOT RECRUIT A STUDENT FOR ATHLETIC
15 PURPOSES.

16 (F) STUDENT RULES, POLICIES AND PROCEDURES.--

17 (1) PRIOR TO ENROLLMENT OF A RECIPIENT, A SCHOOL
18 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
19 NONPUBLIC SCHOOL SHALL INFORM THE PARENT OF A RECIPIENT OF
20 ANY AND ALL RULES, POLICIES AND PROCEDURES OF THE
21 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
22 SCHOOL, INCLUDING ANY ACADEMIC POLICIES, DISCIPLINARY RULES
23 AND ADMINISTRATIVE PROCEDURES OF THE PARTICIPATING PUBLIC
24 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL.

25 (2) ENROLLMENT OF A RECIPIENT IN A PARTICIPATING PUBLIC
26 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL SHALL CONSTITUTE
27 ACCEPTANCE OF ANY RULES, POLICIES AND PROCEDURES OF THE
28 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
29 SCHOOL.

30 (G) TRANSPORTATION.--

1 (1) TRANSPORTATION OF RECIPIENTS SHALL BE PROVIDED UNDER
2 SECTION 1361 OF THE PUBLIC SCHOOL CODE OF 1949.

3 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

4 (I) TRANSPORTATION OF A RECIPIENT ATTENDING A
5 PARTICIPATING PUBLIC SCHOOL SHALL BE SUBJECT TO
6 REIMBURSEMENT UNDER SECTION 2541 OF THE PUBLIC SCHOOL
7 CODE OF 1949.

8 (II) TRANSPORTATION OF A RECIPIENT ATTENDING A
9 PARTICIPATING NONPUBLIC SCHOOL SHALL BE SUBJECT TO
10 REIMBURSEMENT UNDER SECTIONS 2509.3 AND 2541 OF THE
11 PUBLIC SCHOOL CODE OF 1949.

12 (H) CONSTRUCTION.--NOTHING IN THIS ARTICLE SHALL BE
13 CONSTRUED TO:

14 (1) PROHIBIT A PARTICIPATING NONPUBLIC SCHOOL FROM
15 LIMITING ADMISSION TO A PARTICULAR GRADE LEVEL, A SINGLE
16 GENDER OR AREAS OF CONCENTRATION OF THE PARTICIPATING
17 NONPUBLIC SCHOOL, INCLUDING MATHEMATICS, SCIENCE AND THE
18 ARTS.

19 (2) AUTHORIZE THE COMMONWEALTH OR ANY OF ITS AGENCIES OR
20 OFFICERS OR POLITICAL SUBDIVISIONS TO IMPOSE ANY ADDITIONAL
21 REQUIREMENTS ON A PARTICIPATING NONPUBLIC SCHOOL WHICH ARE
22 NOT OTHERWISE AUTHORIZED UNDER THE LAWS OF THIS COMMONWEALTH
23 OR TO REQUIRE A PARTICIPATING NONPUBLIC SCHOOL TO ENROLL A
24 RECIPIENT IF THE PARTICIPATING NONPUBLIC SCHOOL DOES NOT
25 OFFER APPROPRIATE PROGRAMS OR IS NOT STRUCTURED OR EQUIPPED
26 WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL NEEDS OF
27 THE RECIPIENT OR DOES NOT OFFER A PARTICULAR PROGRAM
28 REQUESTED.

29 SECTION 1712-F. TUITION GRANTS BY SCHOOL DISTRICTS.

30 (A) GENERAL RULE.--THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL

1 DISTRICT MAY USE FUNDS RECEIVED FROM THE COMMONWEALTH FOR
2 EDUCATIONAL PURPOSES TO ESTABLISH A PROGRAM OF TUITION GRANTS TO
3 PROVIDE FOR THE EDUCATION OF STUDENTS WHO RESIDE WITHIN THE
4 DISTRICT AND ATTEND OR WILL ATTEND A PUBLIC OR NONPUBLIC SCHOOL
5 ON A TUITION-PAYING BASIS.

6 (B) NONPUBLIC SCHOOL GRANT AMOUNT.--FOR STUDENTS WHO ATTEND
7 OR WILL ATTEND A NONPUBLIC SCHOOL, THE GRANT AMOUNT FOR EACH
8 STUDENT SHALL NOT EXCEED THE AMOUNT OF THE PER PUPIL STATE
9 SUBSIDY FOR BASIC EDUCATION OF THE SCHOOL DISTRICT OF RESIDENCE.

10 (C) AVERAGE DAILY MEMBERSHIP.--

11 (1) A STUDENT WHO RECEIVES A TUITION GRANT UNDER THIS
12 SECTION SHALL BE INCLUDED IN THE AVERAGE DAILY MEMBERSHIP FOR
13 PURPOSES OF DETERMINING THE SCHOOL DISTRICT OF RESIDENCE'S
14 BASIC EDUCATION FUNDING.

15 (2) A STUDENT WHO RECEIVES A GRANT UNDER THIS SECTION TO
16 ATTEND A PUBLIC SCHOOL OUTSIDE THE SCHOOL DISTRICT AWARDING
17 THE TUITION GRANT SHALL NOT BE INCLUDED IN THE AVERAGE DAILY
18 MEMBERSHIP OF THE SCHOOL DISTRICT THE STUDENT ATTENDS.

19 (D) GUIDELINES.--

20 (1) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT
21 SHALL PREPARE GUIDELINES ON ALL THE FOLLOWING:

22 (I) ESTABLISHMENT OF AN APPLICATION FORM AND
23 APPROVAL PROCESS.

24 (II) STANDARDS FOR VERIFICATION OF THE ACCURACY OF
25 APPLICATION INFORMATION.

26 (III) CONFIRMATION OF ATTENDANCE BY A STUDENT WHO
27 RECEIVES A TUITION GRANT.

28 (IV) RESTRICTIVE ENDORSEMENT OF GRANT CHECKS BY
29 PARENTS TO THE SCHOOL CHOSEN BY THE PARENTS.

30 (V) PRO RATA REFUNDS OF GRANTS FOR STUDENTS WHO

1 WITHDRAW DURING THE SCHOOL YEAR.

2 (VI) REPAYMENT OF REFUNDED GRANTS TO THE SCHOOL
3 DISTRICT.

4 (VII) REASONABLE DEADLINE DATES FOR SUBMISSION OF
5 GRANT APPLICATIONS.

6 (2) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL SHALL
7 ANNOUNCE THE AWARD OF GRANTS NO LATER THAN AUGUST 1 OF THE
8 SCHOOL YEAR IN WHICH THE GRANTS WILL BE UTILIZED.

9 (3) UPON RECEIPT OF WRITTEN CONFIRMATION OF ENROLLMENT
10 FROM THE STUDENT'S SCHOOL OF CHOICE, GRANTS SHALL BE PAID TO
11 THE PARENTS OF A STUDENT BY A CHECK THAT MAY ONLY BE ENDORSED
12 TO THE SELECTED SCHOOL.

13 (4) IN THE EVENT A STUDENT IS NO LONGER ENROLLED PRIOR
14 TO THE COMPLETION OF THE SCHOOL TERM, THE SCHOOL SHALL SEND
15 WRITTEN NOTICE TO THE SCHOOL DISTRICT.

16 (E) NONTAXABLE.--GRANTS AWARDED TO STUDENTS UNDER THIS
17 SECTION SHALL NOT:

18 (1) BE CONSIDERED TAXABLE INCOME FOR PURPOSES OF A LOCAL
19 TAXING ORDINANCE OR FOR PURPOSES OF ARTICLE III.

20 (2) CONSTITUTE FINANCIAL ASSISTANCE OR APPROPRIATIONS TO
21 THE SCHOOL ATTENDED BY THE STUDENT.

22 (F) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
23 CONSTRUED TO EMPOWER THE COMMONWEALTH OR A SCHOOL DISTRICT OR
24 ANY OF THEIR AGENCIES OR OFFICERS TO DO ANY OF THE FOLLOWING:

25 (1) PRESCRIBE THE COURSE CONTENT OR ADMISSIONS CRITERIA
26 FOR ANY RELIGIOUSLY AFFILIATED SCHOOL.

27 (2) COMPEL ANY PRIVATE SCHOOL TO ACCEPT OR ENROLL A
28 STUDENT.

29 (3) IMPOSE ANY ADDITIONAL REQUIREMENTS ON ANY PRIVATE
30 SCHOOL THAT ARE NOT OTHERWISE AUTHORIZED.

1 ANOTHER TEST ESTABLISHED BY THE STATE BOARD OF EDUCATION TO MEET
2 THE REQUIREMENTS OF SECTION 2603-B(D) (10) (I) OF THE PUBLIC
3 SCHOOL CODE OF 1949 AND REQUIRED UNDER THE NO CHILD LEFT BEHIND
4 ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS
5 SUCCESSOR STATUTE OR ANY OTHER TEST REQUIRED TO ACHIEVE OTHER
6 STANDARDS ESTABLISHED BY THE DEPARTMENT OF EDUCATION FOR THE
7 PUBLIC SCHOOL OR SCHOOL DISTRICT UNDER 22 PA. CODE § 403.3
8 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

9 "ATTENDANCE BOUNDARY." A GEOGRAPHIC AREA OF RESIDENCE USED
10 BY A SCHOOL DISTRICT TO ASSIGN A STUDENT TO A PUBLIC SCHOOL.

11 "AVERAGE DAILY MEMBERSHIP." AS DEFINED IN SECTION 2501(3) OF
12 THE PUBLIC SCHOOL CODE OF 1949.

13 "BUSINESS FIRM." AN ENTITY AUTHORIZED TO DO BUSINESS IN THIS
14 COMMONWEALTH AND SUBJECT TO A TAX UNDER ARTICLE XVI OF THE ACT
15 OF MAY 17, 1921 (P.L.682, NO.284), KNOWN AS THE INSURANCE
16 COMPANY LAW OF 1921, OR TAXES IMPOSED UNDER ARTICLE III, IV, VI,
17 VII, VIII, IX OR XV. THE TERM INCLUDES A PASS-THROUGH ENTITY.

18 "CONTRIBUTION." A DONATION OF CASH, PERSONAL PROPERTY OR
19 SERVICES, THE VALUE OF WHICH IS THE NET COST OF THE DONATION TO
20 THE DONOR OR THE PRO RATA HOURLY WAGE, INCLUDING BENEFITS, OF
21 THE INDIVIDUAL PERFORMING THE SERVICES.

22 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
23 DEVELOPMENT OF THE COMMONWEALTH.

24 "ELEMENTARY SCHOOL." A SCHOOL WHICH IS NOT A SECONDARY
25 SCHOOL.

26 "ELIGIBLE STUDENT." A STUDENT OR A STUDENT WITH A DISABILITY
27 WHO:

28 (1) RESIDES WITHIN THE ATTENDANCE BOUNDARY OF A LOW-
29 ACHIEVING SCHOOL AS OF THE FIRST DAY OF CLASSES OF THE SCHOOL
30 YEAR; AND

1 (2) IS A MEMBER OF A HOUSEHOLD WHICH HAS A HOUSEHOLD
2 INCOME NO GREATER THAN THE MAXIMUM ANNUAL HOUSEHOLD INCOME
3 ALLOWANCE.

4 "HOUSEHOLD." AN INDIVIDUAL WHO LIVES ALONE OR WITH THE
5 FOLLOWING: A SPOUSE, PARENT AND THEIR UNEMANCIPATED MINOR
6 CHILDREN, OTHER UNEMANCIPATED MINOR CHILDREN WHO ARE RELATED BY
7 BLOOD OR MARRIAGE OR OTHER ADULTS OR UNEMANCIPATED MINOR
8 CHILDREN LIVING IN THE HOUSEHOLD WHO ARE DEPENDENT UPON THE
9 INDIVIDUAL.

10 "HOUSEHOLD INCOME." ALL MONEYS OR PROPERTY RECEIVED BY A
11 HOUSEHOLD OF WHATEVER NATURE AND FROM WHATEVER SOURCE DERIVED.
12 THE TERM DOES NOT INCLUDE THE FOLLOWING:

13 (1) PERIODIC PAYMENTS FOR SICKNESS AND DISABILITY OTHER
14 THAN REGULAR WAGES RECEIVED DURING A PERIOD OF SICKNESS OR
15 DISABILITY.

16 (2) DISABILITY, RETIREMENT OR OTHER PAYMENTS ARISING
17 UNDER WORKERS' COMPENSATION ACTS, OCCUPATIONAL DISEASE ACTS
18 AND SIMILAR LEGISLATION BY ANY GOVERNMENT.

19 (3) PAYMENTS COMMONLY RECOGNIZED AS OLD-AGE OR
20 RETIREMENT BENEFITS PAID TO PERSONS RETIRED FROM SERVICE
21 AFTER REACHING A SPECIFIC AGE OR AFTER A STATED PERIOD OF
22 EMPLOYMENT.

23 (4) PAYMENTS COMMONLY KNOWN AS PUBLIC ASSISTANCE OR
24 UNEMPLOYMENT COMPENSATION PAYMENTS BY A GOVERNMENTAL AGENCY.

25 (5) PAYMENTS TO REIMBURSE ACTUAL EXPENSES.

26 (6) PAYMENTS MADE BY EMPLOYERS OR LABOR UNIONS FOR
27 PROGRAMS COVERING HOSPITALIZATION, SICKNESS, DISABILITY OR
28 DEATH, SUPPLEMENTAL UNEMPLOYMENT BENEFITS, STRIKE BENEFITS,
29 SOCIAL SECURITY AND RETIREMENT.

30 (7) COMPENSATION RECEIVED BY UNITED STATES SERVICEMEN

1 SERVING IN A COMBAT ZONE.

2 "INCOME ALLOWANCE."

3 (1) THE FOLLOWING SHALL APPLY:

4 (I) AFTER JUNE 30, 2012, AND THROUGH JUNE 30, 2013,
5 \$12,000 FOR EACH DEPENDENT MEMBER OF THE HOUSEHOLD.

6 (II) AFTER JUNE 30, 2013, AND THROUGH JUNE 30, 2014,
7 \$15,000 FOR EACH DEPENDENT MEMBER OF THE HOUSEHOLD.

8 (2) BEGINNING JULY 1, 2014, THE DEPARTMENT OF COMMUNITY
9 AND ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST THE INCOME
10 ALLOWANCE AMOUNTS UNDER PARAGRAPH (1) TO REFLECT ANY UPWARD
11 CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
12 FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA
13 IN THE PRECEDING 12 MONTHS AND SHALL IMMEDIATELY SUBMIT THE
14 ADJUSTED AMOUNTS TO THE LEGISLATIVE REFERENCE BUREAU FOR
15 PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

16 "KINDERGARTEN." A ONE-YEAR FORMAL EDUCATIONAL PROGRAM THAT
17 OCCURS DURING THE SCHOOL YEAR IMMEDIATELY PRIOR TO FIRST GRADE.
18 THE TERM INCLUDES A PART-TIME AND A FULL-TIME PROGRAM.

19 "LOW-ACHIEVING SCHOOL." A PUBLIC SCHOOL THAT RANKED IN THE
20 LOWEST 15% OF ITS DESIGNATION AS AN ELEMENTARY SCHOOL OR A
21 SECONDARY SCHOOL BASED ON COMBINED MATHEMATICS AND READING
22 SCORES FROM THE ANNUAL ASSESSMENT ADMINISTERED IN THE PREVIOUS
23 SCHOOL YEAR AND FOR WHICH THE DEPARTMENT OF EDUCATION HAS POSTED
24 RESULTS ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE. THE TERM
25 DOES NOT INCLUDE A CHARTER SCHOOL, CYBER CHARTER SCHOOL OR AREA
26 VOCATIONAL-TECHNICAL SCHOOL.

27 "MAXIMUM ANNUAL HOUSEHOLD INCOME ALLOWANCE."

28 (1) EXCEPT AS STATED IN PARAGRAPH (2) AND SUBJECT TO
29 ADJUSTMENT UNDER PARAGRAPH (3), THE SUM OF:

30 (I) EITHER:

1 (A) AFTER JUNE 30, 2012, AND THROUGH JUNE 30,
2 2013, NOT MORE THAN \$60,000; OR
3 (B) AFTER JUNE 30, 2013, NOT MORE THAN \$75,000.

4 (II) THE APPLICABLE INCOME ALLOWANCE.

5 (2) WITH RESPECT TO A STUDENT WITH A DISABILITY, AS
6 CALCULATED BY MULTIPLYING:

7 (I) THE APPLICABLE AMOUNT UNDER PARAGRAPH (1); BY
8 (II) THE APPLICABLE SUPPORT LEVEL FACTOR ACCORDING
9 TO THE FOLLOWING TABLE:

10	SUPPORT LEVEL	SUPPORT LEVEL FACTOR
11	1	1.50
12	2	2.993

13 (3) BEGINNING JULY 1, 2014, THE DEPARTMENT OF COMMUNITY
14 AND ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST THE INCOME
15 AMOUNTS UNDER PARAGRAPHS (1) AND (2) TO REFLECT ANY UPWARD
16 CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
17 FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA
18 IN THE PRECEDING 12 MONTHS AND SHALL IMMEDIATELY SUBMIT THE
19 ADJUSTED AMOUNTS TO THE LEGISLATIVE REFERENCE BUREAU FOR
20 PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

21 "NONPUBLIC SCHOOL." A SCHOOL WHICH IS A NONPROFIT
22 ORGANIZATION AND WHICH IS LOCATED IN THE COMMONWEALTH. THE TERM
23 DOES NOT INCLUDE A PUBLIC SCHOOL.

24 "PARENT." AN INDIVIDUAL WHO:

25 (1) IS A RESIDENT OF THE COMMONWEALTH; AND

26 (2) EITHER:

27 (I) HAS LEGAL CUSTODY OR GUARDIANSHIP OF A STUDENT;

28 OR

29 (II) KEEPS IN HIS HOME A STUDENT AND SUPPORTS THE
30 STUDENT GRATIS AS IF THE STUDENT WERE A LINEAL DESCENDANT

1 OF THE INDIVIDUAL.

2 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL WHICH
3 NOTIFIES THE DEPARTMENT OF EDUCATION UNDER SECTION 1710-G.1 THAT
4 IT WISHES TO PARTICIPATE IN THE PROGRAM.

5 "PARTICIPATING PUBLIC SCHOOL." A PUBLIC SCHOOL IN A SCHOOL
6 DISTRICT WHICH NOTIFIES THE DEPARTMENT OF EDUCATION UNDER
7 SECTION 1710-G.1(B) THAT IT WISHES TO PARTICIPATE IN THE
8 PROGRAM. THE TERM SHALL NOT INCLUDE A LOW-ACHIEVING SCHOOL.

9 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION
10 301(N.0), A SINGLE-MEMBER LIMITED LIABILITY COMPANY TREATED AS A
11 DISREGARDED ENTITY FOR FEDERAL INCOME TAX PURPOSES OR A
12 PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1).

13 "PUBLIC SCHOOL CODE OF 1949." THE ACT OF MARCH 10, 1949
14 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE OF 1949.

15 "PROGRAM." THE EDUCATIONAL OPPORTUNITY SCHOLARSHIP TAX
16 CREDIT PROGRAM ESTABLISHED UNDER THIS ARTICLE.

17 "RECIPIENT." AN APPLICANT WHO RECEIVES A SCHOLARSHIP.

18 "SCHOLARSHIP." AN AWARD GIVEN TO AN APPLICANT FOR THE
19 RECIPIENT TO PAY TUITION AND SCHOOL-RELATED FEES NECESSARY TO
20 ATTEND A PARTICIPATING NONPUBLIC SCHOOL OR A PARTICIPATING
21 PUBLIC SCHOOL LOCATED IN A SCHOOL DISTRICT WHICH IS NOT THE
22 RECIPIENT'S SCHOOL DISTRICT OF RESIDENCE.

23 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

24 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION
25 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
26 99-514, 26 U.S.C. § 1 ET SEQ.); AND

27 (2) CONTRIBUTES AT LEAST 80% OF ITS ANNUAL CASH RECEIPTS
28 TO A SCHOLARSHIP PROGRAM.

29 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY

30 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS TO A SCHOLARSHIP PROGRAM

1 WHEN IT EXPENDS OR OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS
2 FOR DISTRIBUTION DURING THE THEN CURRENT FISCAL YEAR OF THE
3 NONPROFIT ENTITY OR DURING THE NEXT SUCCEEDING FISCAL YEAR OF
4 THE NONPROFIT ENTITY.

5 "SCHOOL." AN ELEMENTARY SCHOOL OR A SECONDARY SCHOOL AT
6 WHICH THE COMPULSORY ATTENDANCE REQUIREMENTS OF THE COMMONWEALTH
7 MAY BE MET AND WHICH MEETS THE APPLICABLE REQUIREMENTS OF TITLE
8 VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC LAW 88-352, 78 STAT.
9 241).

10 "SCHOOL AGE." THE AGE OF AN INDIVIDUAL FROM THE EARLIEST
11 ADMISSION AGE TO A SCHOOL'S KINDERGARTEN OR, WHEN NO
12 KINDERGARTEN IS PROVIDED, THE SCHOOL'S EARLIEST ADMISSION AGE
13 FOR BEGINNERS, UNTIL THE END OF THE SCHOOL YEAR THE INDIVIDUAL
14 ATTAINS 21 YEARS OF AGE OR GRADUATION FROM HIGH SCHOOL,
15 WHICHEVER OCCURS FIRST.

16 "SCHOOL DISTRICT OF RESIDENCE." THE SCHOOL DISTRICT IN WHICH
17 THE STUDENT'S PRIMARY DOMICILE IS LOCATED.

18 "SCHOOL-RELATED FEES." FEES CHARGED BY A SCHOOL TO ALL
19 STUDENTS FOR BOOKS, INSTRUCTIONAL MATERIALS, TECHNOLOGY
20 EQUIPMENT AND SERVICES, UNIFORMS AND ACTIVITIES.

21 "SECONDARY SCHOOL." A SCHOOL WITH AN ELEVENTH GRADE.

22 "SPECIAL EDUCATION SCHOOL." A SCHOOL OR PROGRAM WITHIN A
23 SCHOOL THAT IS DESIGNATED SPECIFICALLY AND EXCLUSIVELY FOR
24 STUDENTS WITH ANY OF THE DISABILITIES LISTED IN 34 CFR § 300.8
25 (RELATING TO CHILD WITH A DISABILITY) AND MEETS ONE OF THE
26 FOLLOWING:

- 27 (1) IS LICENSED UNDER THE ACT OF JANUARY 28, 1988
28 (P.L.24, NO.11), KNOWN AS THE PRIVATE ACADEMIC SCHOOLS ACT;
29 (2) IS ACCREDITED BY AN ACCREDITING ASSOCIATION APPROVED
30 BY THE STATE BOARD OF EDUCATION;

1 (3) IS A SCHOOL FOR THE BLIND OR DEAF RECEIVING
2 COMMONWEALTH APPROPRIATIONS; OR

3 (4) IS OPERATED BY OR UNDER THE AUTHORITY OF A BONA FIDE
4 RELIGIOUS INSTITUTION OR BY THE COMMONWEALTH OR ANY POLITICAL
5 SUBDIVISION THEREOF.

6 "STUDENT." AN INDIVIDUAL WHO MEETS ALL OF THE FOLLOWING:

7 (1) IS SCHOOL AGE.

8 (2) IS A RESIDENT OF THIS COMMONWEALTH.

9 (3) ATTENDS OR IS ABOUT TO ATTEND A SCHOOL.

10 "STUDENT WITH A DISABILITY." A STUDENT WHO MEETS ALL OF THE
11 FOLLOWING:

12 (1) IS EITHER ENROLLED IN A SPECIAL EDUCATION SCHOOL OR
13 HAS OTHERWISE BEEN IDENTIFIED, IN ACCORDANCE WITH 22 PA. CODE
14 CH. 14 (RELATING TO SPECIAL EDUCATION SERVICES AND PROGRAMS),
15 AS A "CHILD WITH A DISABILITY" AS DEFINED IN 34 CFR § 300.8
16 (RELATING TO CHILD WITH A DISABILITY).

17 (2) NEEDS SPECIAL EDUCATION AND RELATED SERVICES.

18 "SUPPORT LEVEL." THE LEVEL OF SUPPORT NEEDED BY AN ELIGIBLE
19 STUDENT WITH A DISABILITY, AS PROVIDED IN THE FOLLOWING MATRIX:

20 SUPPORT LEVEL 1 - THE STUDENT IS NOT ENROLLED IN A
21 SPECIAL EDUCATION SCHOOL.

22 SUPPORT LEVEL 2 - THE STUDENT IS ENROLLED AS A STUDENT IN
23 A SPECIAL EDUCATION SCHOOL.

24 SECTION 1703-G.1. QUALIFICATION AND APPLICATION.

25 (A) ESTABLISHMENT.--THE EDUCATIONAL OPPORTUNITY SCHOLARSHIP
26 TAX CREDIT PROGRAM IS ESTABLISHED. THE PROGRAM SHALL PROVIDE TAX
27 CREDITS TO ENTITIES THAT PROVIDE CONTRIBUTIONS TO SCHOLARSHIP
28 ORGANIZATIONS. THE SCHOLARSHIP ORGANIZATIONS MUST ENHANCE THE
29 EDUCATIONAL OPPORTUNITIES AVAILABLE TO STUDENTS IN THIS
30 COMMONWEALTH BY PROVIDING SCHOLARSHIPS TO ELIGIBLE STUDENTS WHO

1 RESIDE WITHIN THE ATTENDANCE BOUNDARY OF LOW-ACHIEVING SCHOOLS
2 TO ATTEND SCHOOLS WHICH ARE NOT LOW-ACHIEVING SCHOOLS AND WHICH
3 ARE NOT A PUBLIC SCHOOL WITHIN THE SCHOOL DISTRICT OF RESIDENCE.

4 (B) INFORMATION.--IN ORDER TO QUALIFY UNDER THIS ARTICLE, A
5 SCHOLARSHIP ORGANIZATION MUST SUBMIT INFORMATION TO THE
6 DEPARTMENT THAT ENABLES THE DEPARTMENT TO CONFIRM THAT THE
7 SCHOLARSHIP ORGANIZATION IS EXEMPT FROM TAXATION UNDER SECTION
8 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW 99-
9 514, 26 U.S.C. § 1 ET SEQ.).

10 (C) ANNUAL CERTIFICATION OF ELIGIBILITY.--BY AUGUST 15,
11 2012, AND BY FEBRUARY 15, 2013, AND EACH FEBRUARY 15 THEREAFTER,
12 A SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE DEPARTMENT THAT
13 THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

14 (D) REPORT.--

15 (1) A SCHOLARSHIP ORGANIZATION MUST AGREE TO REPORT THE
16 FOLLOWING INFORMATION ON A FORM PROVIDED BY THE DEPARTMENT BY
17 SEPTEMBER 1, 2013, AND EACH SEPTEMBER 1 THEREAFTER:

18 (I) THE TOTAL NUMBER OF APPLICATIONS FOR
19 SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY PRECEDING
20 SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
21 THROUGH EIGHT.

22 (II) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
23 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
24 GRADES KINDERGARTEN THROUGH EIGHT.

25 (III) THE TOTAL AND AVERAGE AMOUNTS OF THE
26 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
27 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES KINDERGARTEN
28 THROUGH EIGHT.

29 (IV) THE TOTAL NUMBER OF APPLICATIONS FOR
30 SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY PRECEDING

1 SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES 9 THROUGH
2 12.

3 (V) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
4 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
5 GRADES 9 THROUGH 12.

6 (VI) THE TOTAL AND AVERAGE AMOUNTS OF THE
7 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
8 SCHOOL YEAR TO ELIGIBLE STUDENTS IN GRADES 9 THROUGH 12.

9 (VII) WHERE THE SCHOLARSHIP ORGANIZATION COLLECTS
10 INFORMATION ON A COUNTY-BY-COUNTY BASIS, THE TOTAL NUMBER
11 AND THE TOTAL AMOUNT OF SCHOLARSHIPS AWARDED DURING THE
12 IMMEDIATELY PRECEDING SCHOOL YEAR TO RESIDENTS OF EACH
13 COUNTY IN WHICH THE SCHOLARSHIP ORGANIZATION AWARDED
14 SCHOLARSHIPS.

15 (VIII) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
16 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
17 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
18 POVERTY LEVEL.

19 (IX) THE TOTAL AND AVERAGE AMOUNTS OF THE
20 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
21 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
22 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL.

23 (X) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
24 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
25 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
26 POVERTY LEVEL AND WHO RESIDE WITHIN A FIRST CLASS SCHOOL
27 DISTRICT.

28 (XI) THE TOTAL AND AVERAGE AMOUNTS OF THE
29 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
30 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT

1 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
2 RESIDE WITHIN A FIRST CLASS SCHOOL DISTRICT.

3 (XII) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
4 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
5 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
6 POVERTY LEVEL AND WHO RESIDE WITHIN A SCHOOL DISTRICT
7 WITH AN AVERAGE DAILY MEMBERSHIP GREATER THAN 7,500 AND
8 THAT RECEIVES AN ADVANCE OF ITS BASIC EDUCATION SUBSIDY
9 AT ANY TIME.

10 (XIII) THE TOTAL AND AVERAGE AMOUNTS OF THE
11 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
12 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
13 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
14 RESIDE WITHIN A SCHOOL DISTRICT WITH AN AVERAGE DAILY
15 MEMBERSHIP GREATER THAN 7,500 AND THAT RECEIVES AN
16 ADVANCE OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME.

17 (XIV) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE
18 IMMEDIATELY PRECEDING SCHOOL YEAR TO APPLICANTS WITH A
19 HOUSEHOLD INCOME THAT DOES NOT EXCEED 185% OF THE FEDERAL
20 POVERTY LEVEL AND WHO RESIDE WITHIN A SCHOOL DISTRICT
21 THAT RECEIVES AN ADVANCE OF ITS BASIC EDUCATION SUBSIDY
22 AT ANY TIME AND IS EITHER SUBJECT TO A DECLARATION OF
23 FINANCIAL DISTRESS UNDER SECTION 691 OF THE PUBLIC SCHOOL
24 CODE OF 1949 OR ENGAGED IN LITIGATION AGAINST THE
25 COMMONWEALTH IN WHICH THE SCHOOL DISTRICT SEEKS FINANCIAL
26 ASSISTANCE FROM THE COMMONWEALTH TO ALLOW THE SCHOOL
27 DISTRICT TO CONTINUE TO OPERATE.

28 (XV) THE TOTAL AND AVERAGE AMOUNTS OF THE
29 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
30 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT

1 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
2 RESIDE WITHIN A SCHOOL DISTRICT THAT RECEIVES AN ADVANCE
3 OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME AND IS EITHER
4 SUBJECT TO A DECLARATION OF FINANCIAL DISTRESS UNDER
5 SECTION 691 OF THE PUBLIC SCHOOL CODE OF 1949 OR IS
6 ENGAGED IN LITIGATION AGAINST THE COMMONWEALTH IN WHICH
7 THE SCHOOL DISTRICT SEEKS FINANCIAL ASSISTANCE FROM THE
8 COMMONWEALTH TO ALLOW THE SCHOOL DISTRICT TO CONTINUE TO
9 OPERATE.

10 (XVI) THE TOTAL NUMBER OF SCHOLARSHIP APPLICATIONS
11 PROCESSED AND THE AMOUNTS OF ANY APPLICATION FEES CHARGED
12 EITHER PER SCHOLARSHIP APPLICATION OR IN THE AGGREGATE
13 THROUGH A THIRD-PARTY PROCESSOR.

14 (XVII) THE SCHOLARSHIP ORGANIZATION'S FEDERAL FORM
15 990 OR OTHER FEDERAL FORM INDICATING THE TAX STATUS OF
16 THE SCHOLARSHIP ORGANIZATION FOR FEDERAL TAX PURPOSES, IF
17 ANY, AND A COPY OF A COMPILATION, REVIEW OR AUDIT OF THE
18 SCHOLARSHIP ORGANIZATION'S FINANCIAL STATEMENTS CONDUCTED
19 BY A CERTIFIED PUBLIC ACCOUNTING FIRM.

20 (2) NO LATER THAN MAY 1, 2013, AND EACH MAY 1
21 THEREAFTER, THE DEPARTMENT SHALL ANNUALLY DISTRIBUTE SUCH
22 SAMPLE FORMS, TOGETHER WITH THE FORMS ON WHICH THE REPORTS
23 ARE REQUIRED TO BE MADE, TO EACH LISTED SCHOLARSHIP
24 ORGANIZATION.

25 (3) THE DEPARTMENT MAY NOT REQUIRE ANY OTHER INFORMATION
26 TO BE PROVIDED BY SCHOLARSHIP ORGANIZATIONS, EXCEPT AS
27 EXPRESSLY AUTHORIZED IN THIS ARTICLE.

28 (E) NOTIFICATION.--THE DEPARTMENT SHALL NOTIFY A SCHOLARSHIP
29 ORGANIZATION THAT IT MEETS THE REQUIREMENTS OF THIS ARTICLE FOR
30 THAT FISCAL YEAR NO LATER THAN 60 DAYS AFTER THE SCHOLARSHIP

1 ORGANIZATION SUBMITS THE INFORMATION REQUIRED UNDER THIS
2 SECTION.

3 (F) PUBLICATION.--THE DEPARTMENT SHALL ANNUALLY PUBLISH A
4 LIST OF EACH SCHOLARSHIP ORGANIZATION QUALIFIED UNDER THIS
5 SECTION IN THE PENNSYLVANIA BULLETIN AND SHALL POST AND UPDATE
6 THE LIST AS NECESSARY ON THE PUBLICLY ACCESSIBLE INTERNET
7 WEBSITE OF THE DEPARTMENT.

8 SECTION 1704-G.1. TAX CREDIT APPLICATION.

9 (A) SCHOLARSHIP ORGANIZATION.--A BUSINESS FIRM SHALL APPLY
10 TO THE DEPARTMENT FOR A TAX CREDIT UNDER SECTION 1705-G.1. A
11 BUSINESS FIRM SHALL RECEIVE A TAX CREDIT UNDER THIS ARTICLE IF
12 THE SCHOLARSHIP ORGANIZATION THAT RECEIVES THE CONTRIBUTION
13 APPEARS ON THE LIST PUBLISHED UNDER SECTION 1703-G.1(F).

14 (B) AVAILABILITY OF TAX CREDITS.--TAX CREDITS UNDER THIS
15 ARTICLE SHALL BE MADE AVAILABLE BY THE DEPARTMENT ON A FIRST-
16 COME-FIRST-SERVED BASIS WITHIN THE LIMITATION ESTABLISHED UNDER
17 SECTION 1706-G.1(A).

18 (C) CONTRIBUTIONS.--A CONTRIBUTION BY A BUSINESS FIRM TO A
19 SCHOLARSHIP ORGANIZATION SHALL BE MADE NO LATER THAN 60 DAYS
20 FOLLOWING THE APPROVAL OF AN APPLICATION UNDER SUBSECTION (A).
21 SECTION 1705-G.1. TAX CREDIT.

22 (A) SCHOLARSHIP ORGANIZATIONS.--

23 (1) IN ACCORDANCE WITH SECTION 1706-G.1(A), THE
24 DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY
25 TAX DUE UNDER ARTICLE XVI OF THE ACT OF MAY 17, 1921
26 (P.L.682, NO.284), KNOWN AS THE INSURANCE COMPANY LAW OF
27 1921, OR UNDER ARTICLE III, IV, VI, VII, VIII, IX OR XV TO A
28 BUSINESS FIRM PROVIDING PROOF OF A CONTRIBUTION TO A
29 SCHOLARSHIP ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE
30 CONTRIBUTION IS MADE, WHICH SHALL NOT EXCEED 75% OF THE TOTAL

1 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
2 FIRM.

3 (2) FOR THE FISCAL YEAR 2012-2013, THE TAX CREDIT SHALL
4 NOT EXCEED \$400,000 ANNUALLY PER BUSINESS FIRM FOR
5 CONTRIBUTIONS MADE TO SCHOLARSHIP ORGANIZATIONS.

6 (3) FOR THE FISCAL YEARS 2013-2014 AND EACH FISCAL YEAR
7 THEREAFTER, THE TAX CREDIT SHALL NOT EXCEED \$750,000 ANNUALLY
8 PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO SCHOLARSHIP
9 ORGANIZATIONS.

10 (B) ADDITIONAL AMOUNT.--

11 (1) THE DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT
12 OF UP TO 90% OF THE TOTAL AMOUNT CONTRIBUTED DURING THE
13 TAXABLE YEAR IF THE BUSINESS FIRM PROVIDES A WRITTEN
14 COMMITMENT TO PROVIDE THE SCHOLARSHIP ORGANIZATION WITH THE
15 SAME AMOUNT OF CONTRIBUTION FOR TWO CONSECUTIVE TAX YEARS.

16 (2) THE BUSINESS FIRM MUST PROVIDE THE WRITTEN
17 COMMITMENT UNDER THIS SUBSECTION TO THE DEPARTMENT AT THE
18 TIME OF APPLICATION.

19 (C) COMBINATION OF TAX CREDITS.--

20 (1) A BUSINESS FIRM MAY RECEIVE TAX CREDITS FROM THE
21 DEPARTMENT OF REVENUE IN ANY TAX YEAR FOR ANY COMBINATION OF
22 CONTRIBUTIONS UNDER SUBSECTION (A) OR (B).

23 (2) IN NO CASE MAY A BUSINESS FIRM RECEIVE TAX CREDITS
24 IN ANY TAX YEAR:

25 (I) IN EXCESS OF \$400,000 FOR CONTRIBUTIONS UNDER
26 SUBSECTIONS (A) AND (B) MADE DURING FISCAL YEAR 2012-
27 2013; OR

28 (II) IN EXCESS OF \$750,000 FOR CONTRIBUTIONS UNDER
29 SUBSECTIONS (A) AND (B) MADE DURING FISCAL YEAR 2013-2014
30 OR ANY FISCAL YEAR THEREAFTER.

1 (D) PASS-THROUGH ENTITY.--

2 (1) IF A PASS-THROUGH ENTITY DOES NOT INTEND TO USE ALL
3 APPROVED TAX CREDITS UNDER THIS SECTION, IT MAY ELECT IN
4 WRITING TO TRANSFER ALL OR A PORTION OF THE CREDIT TO
5 SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO THE SHARE
6 OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH THE SHAREHOLDER,
7 MEMBER OR PARTNER IS ENTITLED FOR USE IN THE TAXABLE YEAR IN
8 WHICH THE CONTRIBUTION IS MADE OR IN THE TAXABLE YEAR
9 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE CONTRIBUTION IS
10 MADE. THE ELECTION SHALL DESIGNATE THE YEAR IN WHICH THE
11 TRANSFERRED CREDITS ARE TO BE USED AND SHALL BE MADE
12 ACCORDING TO PROCEDURES ESTABLISHED BY THE DEPARTMENT OF
13 REVENUE.

14 (2) A PASS-THROUGH ENTITY AND A SHAREHOLDER, MEMBER OR
15 PARTNER OF A PASS-THROUGH ENTITY SHALL NOT CLAIM THE CREDIT
16 UNDER THIS SECTION FOR THE SAME CONTRIBUTION.

17 (3) THE SHAREHOLDER, MEMBER OR PARTNER MAY NOT CARRY
18 FORWARD, CARRY BACK, OBTAIN A REFUND OF OR SELL OR ASSIGN THE
19 CREDIT.

20 (E) RESTRICTION ON APPLICABILITY OF CREDITS.--NO CREDITS
21 GRANTED UNDER THIS SECTION SHALL BE APPLIED AGAINST ANY TAX
22 WITHHELD BY AN EMPLOYER FROM AN EMPLOYEE UNDER ARTICLE III.

23 (F) TIME OF APPLICATION FOR CREDITS.--

24 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), THE DEPARTMENT
25 MAY ACCEPT APPLICATIONS FOR TAX CREDITS AVAILABLE DURING A
26 FISCAL YEAR NO EARLIER THAN JULY 1 OF EACH FISCAL YEAR.

27 (2) THE APPLICATION OF ANY BUSINESS FIRM FOR TAX CREDITS
28 AVAILABLE DURING A FISCAL YEAR AS PART OF THE SECOND YEAR OF
29 A TWO-YEAR COMMITMENT OR AS A RENEWAL OF A TWO-YEAR
30 COMMITMENT THAT WAS FULFILLED IN THE PREVIOUS FISCAL YEAR MAY

1 BE ACCEPTED NO EARLIER THAN MAY 15 PRECEDING THE FISCAL YEAR.

2 SECTION 1706-G.1. TAX CREDIT LIMITATIONS.

3 (A) AMOUNT.--THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
4 APPROVED SHALL NOT EXCEED \$50,000,000 IN A FISCAL YEAR.

5 (B) ACTIVITIES.--NO TAX CREDIT SHALL BE APPROVED FOR
6 ACTIVITIES THAT ARE A PART OF A BUSINESS FIRM'S NORMAL COURSE OF
7 BUSINESS.

8 (C) TAX LIABILITY.--

9 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), A TAX CREDIT
10 GRANTED FOR ANY ONE TAXABLE YEAR MAY NOT EXCEED THE TAX
11 LIABILITY OF A BUSINESS FIRM.

12 (2) IN THE CASE OF A CREDIT GRANTED TO A PASS-THROUGH
13 ENTITY WHICH ELECTS TO TRANSFER THE CREDIT ACCORDING TO
14 SECTION 1705-G.1(D), A TAX CREDIT GRANTED FOR ANY ONE TAXABLE
15 YEAR AND TRANSFERRED TO A SHAREHOLDER, MEMBER OR PARTNER MAY
16 NOT EXCEED THE TAX LIABILITY OF THE SHAREHOLDER, MEMBER OR
17 PARTNER.

18 (D) USE.--A TAX CREDIT NOT USED BY THE APPLICANT IN THE
19 TAXABLE YEAR THE CONTRIBUTION WAS MADE OR IN THE YEAR DESIGNATED
20 BY THE SHAREHOLDER, MEMBER OR PARTNER TO WHOM THE CREDIT WAS
21 TRANSFERRED UNDER SECTION 1705-G.1(D) MAY NOT BE CARRIED FORWARD
22 OR CARRIED BACK AND IS NOT REFUNDABLE OR TRANSFERABLE.

23 (E) NONTAXABLE INCOME.--A SCHOLARSHIP RECEIVED BY AN
24 ELIGIBLE STUDENT SHALL NOT BE CONSIDERED TO BE TAXABLE INCOME
25 FOR THE PURPOSES OF ARTICLE III.

26 SECTION 1707-G.1. TAX CREDIT LISTS.

27 THE DEPARTMENT OF REVENUE SHALL PROVIDE A LIST OF ALL
28 SCHOLARSHIP ORGANIZATIONS RECEIVING CONTRIBUTIONS FROM BUSINESS
29 FIRMS GRANTED A TAX CREDIT UNDER THIS ARTICLE TO THE GENERAL
30 ASSEMBLY BY JUNE 30 OF EACH YEAR.]

1 SECTION 8. SECTION 1708-G.1 OF THE ACT, AMENDED OR ADDED
2 JULY 2, 2012 (P.L.751, NO.85) AND JULY 9, 2013 (P.L.270, NO.52),
3 IS REPEALED.

4 [SECTION 1708-G.1. SCHOLARSHIPS.

5 (A) NOTICE.--BY AUGUST 15, 2012, AND BY FEBRUARY 1 OF EACH
6 YEAR THEREAFTER, THE DEPARTMENT SHALL PROVIDE ALL SCHOLARSHIP
7 ORGANIZATIONS WITH A LIST OF THE LOW-ACHIEVING SCHOOLS LOCATED
8 WITHIN EACH SCHOOL DISTRICT.

9 (B) AWARD.--A SCHOLARSHIP ORGANIZATION MAY AWARD A
10 SCHOLARSHIP TO AN APPLICANT WHO RESIDES WITHIN THE ATTENDANCE
11 BOUNDARY OF A LOW-ACHIEVING SCHOOL TO ATTEND A PARTICIPATING
12 PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC SCHOOL SELECTED BY
13 THE PARENT OF THE APPLICANT. IF AN APPLICANT WHO RECEIVED AN
14 EDUCATIONAL OPPORTUNITY SCHOLARSHIP UNDER THIS ARTICLE FOR THE
15 PRIOR SCHOOL YEAR RESIDES WITHIN THE ATTENDANCE BOUNDARY OF A
16 SCHOOL THAT WAS REMOVED FROM THE LIST OF LOW-ACHIEVING SCHOOLS
17 PROVIDED BY THE DEPARTMENT UNDER SUBSECTION (A), THE APPLICANT
18 MAY RECEIVE AN EDUCATIONAL OPPORTUNITY SCHOLARSHIP. THE
19 SCHOLARSHIP MAY BE FOR EACH YEAR OF ENROLLMENT IN A
20 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL
21 FOR UP TO THE LESSER OF FIVE YEARS OR UNTIL COMPLETION OF GRADE
22 12 PROVIDED THE APPLICANT OTHERWISE REMAINS ELIGIBLE. IN
23 AWARDING SCHOLARSHIPS, A SCHOLARSHIP ORGANIZATION SHALL GIVE
24 PREFERENCE TO ANY OF THE FOLLOWING:

25 (1) AN APPLICANT WHO RECEIVED A SCHOLARSHIP FOR THE
26 PRIOR SCHOOL YEAR.

27 (2) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
28 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
29 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
30 APPLICATION IS BEING MADE.

1 (3) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
2 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
3 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
4 APPLICATION IS BEING MADE AND WHO RESIDES WITHIN ANY OF THE
5 FOLLOWING:

6 (I) A FIRST CLASS SCHOOL DISTRICT;

7 (II) A SCHOOL DISTRICT WITH AN AVERAGE DAILY
8 MEMBERSHIP GREATER THAN 7,500 AND THAT RECEIVES AN
9 ADVANCE OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME; OR

10 (III) A SCHOOL DISTRICT THAT RECEIVES AN ADVANCE OF
11 ITS BASIC EDUCATION SUBSIDY AT ANY TIME AND IS EITHER
12 SUBJECT TO A DECLARATION OF FINANCIAL DISTRESS UNDER
13 SECTION 691 OF THE PUBLIC SCHOOL CODE OF 1949 OR ENGAGED
14 IN LITIGATION AGAINST THE COMMONWEALTH IN WHICH THE
15 SCHOOL DISTRICT SEEKS FINANCIAL ASSISTANCE FROM THE
16 COMMONWEALTH TO ALLOW THE SCHOOL DISTRICT TO CONTINUE TO
17 OPERATE.

18 (C) HOME SCHOOLING.--A SCHOLARSHIP ORGANIZATION SHALL NOT
19 AWARD A SCHOLARSHIP TO AN APPLICANT FOR ENROLLMENT IN A HOME
20 EDUCATION PROGRAM UNDER SECTION 1327.1 OF THE PUBLIC SCHOOL CODE
21 OF 1949.

22 (D) FUNDING.--THE AGGREGATE AMOUNT OF SCHOLARSHIPS SHALL NOT
23 EXCEED THE AGGREGATE AMOUNT OF CONTRIBUTIONS MADE BY BUSINESS
24 FIRMS TO THE SCHOLARSHIP ORGANIZATION.

25 (E) AMOUNT.--

26 (1) THE MAXIMUM AMOUNT OF A SCHOLARSHIP AWARDED TO AN
27 APPLICANT WITHOUT A DISABILITY SHALL BE \$8,500.

28 (2) THE MAXIMUM AMOUNT OF A SCHOLARSHIP AWARDED TO AN
29 APPLICANT WITH A DISABILITY SHALL BE \$15,000.

30 (3) IN NO CASE SHALL THE COMBINED AMOUNT OF THE

1 SCHOLARSHIP AWARDED TO A RECIPIENT AND ANY ADDITIONAL
2 FINANCIAL ASSISTANCE PROVIDED TO THE RECIPIENT EXCEED THE
3 TUITION RATE AND SCHOOL-RELATED FEES FOR THE PARTICIPATING
4 PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL THAT THE
5 RECIPIENT WILL ATTEND.

6 (F) TAXATION.--A SCHOLARSHIP SHALL NOT BE CONSIDERED TAXABLE
7 INCOME FOR PURPOSES OF ARTICLE III OR A LOCAL TAXING ORDINANCE.

8 (G) FINANCIAL ASSISTANCE.--A SCHOLARSHIP SHALL NOT
9 CONSTITUTE FINANCIAL ASSISTANCE OR AN APPROPRIATION TO THE
10 PARTICIPATING PUBLIC SCHOOL OR THE PARTICIPATING NONPUBLIC
11 SCHOOL ATTENDED BY A RECIPIENT.]

12 SECTION 9. SECTIONS 1709-G.1, 1710-G.1, 1711-G.1 AND 1712-
13 G.1 OF THE ACT, ADDED JULY 2, 2012, ARE REPEALED:

14 [SECTION 1709-G.1. LOW-ACHIEVING SCHOOLS.

15 (A) LIST OF LOW-ACHIEVING SCHOOLS.--BY SEPTEMBER 1, 2012,
16 AND BY FEBRUARY 1 OF EACH YEAR THEREAFTER, THE DEPARTMENT OF
17 EDUCATION SHALL PUBLISH ON ITS PUBLICLY ACCESSIBLE INTERNET
18 WEBSITE AND IN THE PENNSYLVANIA BULLETIN A LIST OF THE LOW-
19 ACHIEVING SCHOOLS FOR THE FOLLOWING SCHOOL YEAR.

20 (B) NOTICE.--BY AUGUST 1, 2012, AND BY FEBRUARY 1 OF EACH
21 YEAR THEREAFTER, THE DEPARTMENT OF EDUCATION SHALL NOTIFY EVERY
22 SCHOOL DISTRICT IDENTIFIED AS HAVING AT LEAST ONE LOW-ACHIEVING
23 SCHOOL OF ITS DESIGNATION AND SHALL FURNISH THE SCHOOL DISTRICT
24 WITH A LIST OF THE LOW-ACHIEVING SCHOOLS LOCATED WITHIN THE
25 SCHOOL DISTRICT.

26 (C) PUBLICATION.--WITHIN 15 DAYS OF RECEIPT OF A
27 NOTIFICATION UNDER SUBSECTION (B), A SCHOOL DISTRICT SHALL POST
28 ON ITS PUBLICLY ACCESSIBLE INTERNET WEBSITE NOTICE OF ALL OF THE
29 FOLLOWING:

30 (1) A DESCRIPTION OF THE PROGRAM.

1 (2) INSTRUCTIONS FOR APPLYING FOR A SCHOLARSHIP.

2 (3) A LIST OF SCHOOLS IN THE SCHOOL DISTRICT THAT HAVE
3 BEEN DESIGNATED BY THE DEPARTMENT OF EDUCATION AS LOW-
4 ACHIEVING SCHOOLS.

5 (4) NOTICE THAT A PARENT MUST CONTACT DIRECTLY A SCHOOL
6 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
7 NONPUBLIC SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN
8 THE PROGRAM.

9 (D) NOTIFICATION TO PARENTS.--

10 (1) WITHIN 15 DAYS OF RECEIPT OF A NOTIFICATION UNDER
11 SUBSECTION (B), A SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF
12 EACH STUDENT WHO IS CURRENTLY ATTENDING OR RESIDING WITHIN
13 THE ATTENDANCE BOUNDARY OF A LOW-ACHIEVING SCHOOL DURING THE
14 SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

15 (2) UPON REGISTRATION OF A KINDERGARTEN STUDENT, A
16 SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF THE KINDERGARTEN
17 STUDENT THAT THE STUDENT WILL BE ASSIGNED TO A LOW-ACHIEVING
18 SCHOOL DURING THE SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

19 (3) THE NOTICE SHALL BE IN A FORM PROVIDED BY THE
20 DEPARTMENT OF EDUCATION AND SHALL PROVIDE THE FOLLOWING
21 INFORMATION REGARDING THE PROGRAM:

22 (I) A DESCRIPTION OF THE PROGRAM.

23 (II) INSTRUCTIONS FOR OBTAINING INFORMATION ABOUT
24 APPLYING FOR A SCHOLARSHIP UNDER THE PROGRAM.

25 (III) NOTICE OF THE PARENT'S RESPONSIBILITIES WITH
26 REGARD TO APPLYING TO A SCHOOL DISTRICT OF A
27 PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING NONPUBLIC
28 SCHOOL IF THE PARENT SEEKS TO ENROLL THE STUDENT IN THE
29 PROGRAM.

30 (E) AVERAGE DAILY MEMBERSHIP.--

1 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
2 CONTRARY, A RECIPIENT WHO WAS ENROLLED IN THE RECIPIENT'S
3 RESIDENT SCHOOL DISTRICT OR IN A CHARTER SCHOOL, REGIONAL
4 CHARTER SCHOOL OR CYBER CHARTER SCHOOL WHEN THE RECIPIENT
5 FIRST RECEIVED A SCHOLARSHIP SHALL CONTINUE TO BE COUNTED IN
6 THE AVERAGE DAILY MEMBERSHIP OF THE SCHOOL DISTRICT FOR A
7 PERIOD OF ONE YEAR AFTER ENROLLING IN A PARTICIPATING PUBLIC
8 SCHOOL OR A PARTICIPATING NONPUBLIC SCHOOL.

9 (2) DURING THE YEAR REFERENCED IN PARAGRAPH (1) AND EACH
10 SCHOOL YEAR THEREAFTER, A SCHOOL DISTRICT OF A PARTICIPATING
11 PUBLIC SCHOOL IN WHICH THE RECIPIENT IS ENROLLED SHALL NOT
12 INCLUDE THE RECIPIENT IN THE SCHOOL DISTRICT'S AVERAGE DAILY
13 MEMBERSHIP.

14 SECTION 1710-G.1. SCHOOL PARTICIPATION IN PROGRAM.

15 (A) ELECTION.--

16 (1) BY AUGUST 15, 2012, AND BY FEBRUARY 15 OF EACH YEAR
17 THEREAFTER, A NONPUBLIC SCHOOL MAY ELECT TO PARTICIPATE IN
18 THE PROGRAM FOR THE FOLLOWING SCHOOL YEAR.

19 (2) BY AUGUST 15, 2012, AND BY FEBRUARY 15 OF EACH YEAR
20 THEREAFTER, A SCHOOL DISTRICT MAY ELECT TO PARTICIPATE IN THE
21 PROGRAM FOR THE FOLLOWING SCHOOL YEAR.

22 (B) NOTICE.--

23 (1) A SCHOOL DISTRICT OR NONPUBLIC SCHOOL THAT ELECTS TO
24 PARTICIPATE UNDER SUBSECTION (A) MUST NOTIFY THE DEPARTMENT
25 OF EDUCATION OF ITS INTENT TO PARTICIPATE.

26 (2) FOR A SCHOOL DISTRICT, THE NOTICE UNDER PARAGRAPH
27 (1) MUST BE SUBMITTED ON A FORM DEVELOPED BY THE DEPARTMENT
28 OF EDUCATION AND SHALL SPECIFY ALL OF THE FOLLOWING:

29 (I) EACH SCHOOL WITHIN THE SCHOOL DISTRICT WHICH THE
30 SCHOOL DISTRICT INTENDS TO MAKE A PARTICIPATING PUBLIC

1 SCHOOL.

2 (II) THE AMOUNT OF TUITION AND SCHOOL-RELATED FEES
3 ATTRIBUTABLE TO EACH AVAILABLE SEAT. THE AMOUNT UNDER
4 THIS SUBPARAGRAPH SHALL NOT EXCEED THE AMOUNT CALCULATED
5 UNDER SECTION 2561 OF THE PUBLIC SCHOOL CODE OF 1949.

6 (3) FOR A NONPUBLIC SCHOOL, THE NOTICE UNDER PARAGRAPH
7 (1) MUST BE SUBMITTED ON A FORM DEVELOPED BY THE DEPARTMENT
8 OF EDUCATION AND SHALL SPECIFY THE AMOUNT OF TUITION AND
9 SCHOOL-RELATED FEES ATTRIBUTABLE TO AN AVAILABLE SEAT.

10 (C) TUITION RATES.--

11 (1) NO SCHOOL DISTRICT OF A PARTICIPATING PUBLIC SCHOOL
12 OR PARTICIPATING NONPUBLIC SCHOOL MAY CHARGE A RECIPIENT A
13 HIGHER TUITION RATE OR SCHOOL-RELATED FEE THAN THE
14 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL
15 WOULD HAVE CHARGED TO A SIMILARLY SITUATED STUDENT WHO IS NOT
16 RECEIVING A SCHOLARSHIP.

17 (2) NOTWITHSTANDING THE PROVISIONS OF SECTION 2561 OF
18 THE PUBLIC SCHOOL CODE OF 1949, A SCHOOL DISTRICT OF A
19 PARTICIPATING PUBLIC SCHOOL MAY CHARGE A RECIPIENT A TUITION
20 RATE THAT IS LOWER THAN THAT CHARGED TO STUDENTS WHO ARE NOT
21 RECIPIENTS OF SCHOLARSHIPS.

22 (D) PARTICIPATING PUBLIC SCHOOL CRITERIA.--THE FOLLOWING
23 CRITERIA APPLY TO A PARTICIPATING PUBLIC SCHOOL:

24 (1) EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, A
25 SCHOOL DISTRICT SHALL ENROLL STUDENTS IN A PARTICIPATING
26 PUBLIC SCHOOL ON A LOTTERY BASIS FROM A POOL OF RECIPIENTS
27 WHO MEET THE APPLICATION DEADLINE SET BY THE DEPARTMENT OF
28 EDUCATION UNTIL THE PARTICIPATING PUBLIC SCHOOL FILLS ITS
29 AVAILABLE SEATS. THE POOL MAY NOT INCLUDE A RECIPIENT WHO:

30 (I) HAS BEEN EXPELLED OR IS IN THE PROCESS OF BEING

1 EXPULSED UNDER SECTION 1317.2 OR 1318 OF THE PUBLIC
2 SCHOOL CODE OF 1949 AND APPLICABLE REGULATIONS OF THE
3 STATE BOARD OF EDUCATION; OR

4 (II) HAS BEEN RECRUITED BY THE SCHOOL DISTRICT OR
5 ITS REPRESENTATIVES FOR ATHLETIC PURPOSES.

6 (2) THE ENROLLMENT OF RECIPIENTS MAY NOT PLACE THE
7 SCHOOL DISTRICT IN VIOLATION OF A VALID AND BINDING
8 DESEGREGATION ORDER.

9 (3) PRIORITY SHALL BE GIVEN TO:

10 (I) AN EXISTING RECIPIENT.

11 (II) A RECIPIENT WHO IS A SIBLING OF A STUDENT
12 CURRENTLY ENROLLED IN THE SCHOOL DISTRICT.

13 (E) PARTICIPATING NONPUBLIC SCHOOL CRITERIA.--THE FOLLOWING
14 CRITERIA APPLY TO A PARTICIPATING NONPUBLIC SCHOOL:

15 (1) THE PARTICIPATING NONPUBLIC SCHOOL MAY NOT
16 DISCRIMINATE ON A BASIS WHICH IS ILLEGAL UNDER FEDERAL OR
17 STATE LAWS APPLICABLE TO NONPUBLIC SCHOOLS.

18 (2) THE PARTICIPATING NONPUBLIC SCHOOL SHALL COMPLY WITH
19 SECTION 1521 OF THE PUBLIC SCHOOL CODE OF 1949.

20 (3) THE PARTICIPATING NONPUBLIC SCHOOL OR ITS
21 REPRESENTATIVES MAY NOT RECRUIT A STUDENT FOR ATHLETIC
22 PURPOSES.

23 (F) STUDENT RULES, POLICIES AND PROCEDURES.--

24 (1) PRIOR TO ENROLLMENT OF A RECIPIENT, A SCHOOL
25 DISTRICT OF A PARTICIPATING PUBLIC SCHOOL OR A PARTICIPATING
26 NONPUBLIC SCHOOL SHALL INFORM THE PARENT OF A RECIPIENT OF
27 ANY AND ALL RULES, POLICIES AND PROCEDURES OF THE
28 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
29 SCHOOL, INCLUDING ANY ACADEMIC POLICIES, DISCIPLINARY RULES
30 AND ADMINISTRATIVE PROCEDURES OF THE PARTICIPATING PUBLIC

1 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL.

2 (2) ENROLLMENT OF A RECIPIENT IN A PARTICIPATING PUBLIC
3 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL SHALL CONSTITUTE
4 ACCEPTANCE OF ANY RULES, POLICIES AND PROCEDURES OF THE
5 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
6 SCHOOL.

7 (G) TRANSPORTATION.--

8 (1) TRANSPORTATION OF RECIPIENTS SHALL BE PROVIDED UNDER
9 SECTION 1361 OF THE PUBLIC SCHOOL CODE OF 1949.

10 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

11 (I) TRANSPORTATION OF A RECIPIENT ATTENDING A
12 PARTICIPATING PUBLIC SCHOOL SHALL BE SUBJECT TO
13 REIMBURSEMENT UNDER SECTION 2541 OF THE PUBLIC SCHOOL
14 CODE OF 1949.

15 (II) TRANSPORTATION OF A RECIPIENT ATTENDING A
16 PARTICIPATING NONPUBLIC SCHOOL SHALL BE SUBJECT TO
17 REIMBURSEMENT UNDER SECTIONS 2509.3 AND 2541 OF THE
18 PUBLIC SCHOOL CODE OF 1949.

19 (H) CONSTRUCTION.--NOTHING IN THIS ARTICLE SHALL BE
20 CONSTRUED TO:

21 (1) PROHIBIT A PARTICIPATING NONPUBLIC SCHOOL FROM
22 LIMITING ADMISSION TO A PARTICULAR GRADE LEVEL, A SINGLE
23 GENDER OR AREAS OF CONCENTRATION OF THE PARTICIPATING
24 NONPUBLIC SCHOOL, INCLUDING MATHEMATICS, SCIENCE AND THE
25 ARTS.

26 (2) AUTHORIZE THE COMMONWEALTH OR ANY OF ITS AGENCIES OR
27 OFFICERS OR POLITICAL SUBDIVISIONS TO IMPOSE ANY ADDITIONAL
28 REQUIREMENTS ON A PARTICIPATING NONPUBLIC SCHOOL WHICH ARE
29 NOT OTHERWISE AUTHORIZED UNDER THE LAWS OF THIS COMMONWEALTH
30 OR TO REQUIRE A PARTICIPATING NONPUBLIC SCHOOL TO ENROLL A

1 RECIPIENT IF THE PARTICIPATING NONPUBLIC SCHOOL DOES NOT
2 OFFER APPROPRIATE PROGRAMS OR IS NOT STRUCTURED OR EQUIPPED
3 WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL NEEDS OF
4 THE RECIPIENT OR DOES NOT OFFER A PARTICULAR PROGRAM
5 REQUESTED.

6 SECTION 1711-G.1. TUITION GRANTS BY SCHOOL DISTRICTS.

7 (A) GENERAL RULE.--THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL
8 DISTRICT MAY USE FUNDS RECEIVED FROM THE COMMONWEALTH FOR
9 EDUCATIONAL PURPOSES TO ESTABLISH A PROGRAM OF TUITION GRANTS TO
10 PROVIDE FOR THE EDUCATION OF STUDENTS WHO RESIDE WITHIN THE
11 DISTRICT AND ATTEND OR WILL ATTEND A PUBLIC OR NONPUBLIC SCHOOL
12 ON A TUITION-PAYING BASIS.

13 (B) NONPUBLIC SCHOOL GRANT AMOUNT.--FOR STUDENTS WHO ATTEND
14 OR WILL ATTEND A NONPUBLIC SCHOOL, THE GRANT AMOUNT FOR EACH
15 STUDENT SHALL NOT EXCEED THE AMOUNT OF THE PER PUPIL STATE
16 SUBSIDY FOR BASIC EDUCATION OF THE SCHOOL DISTRICT OF RESIDENCE.

17 (C) AVERAGE DAILY MEMBERSHIP.--

18 (1) A STUDENT WHO RECEIVES A TUITION GRANT UNDER THIS
19 SECTION SHALL BE INCLUDED IN THE AVERAGE DAILY MEMBERSHIP FOR
20 PURPOSES OF DETERMINING THE SCHOOL DISTRICT OF RESIDENCE'S
21 BASIC EDUCATION FUNDING.

22 (2) A STUDENT WHO RECEIVES A GRANT UNDER THIS SECTION TO
23 ATTEND A PUBLIC SCHOOL OUTSIDE THE SCHOOL DISTRICT AWARDING
24 THE TUITION GRANT SHALL NOT BE INCLUDED IN THE AVERAGE DAILY
25 MEMBERSHIP OF THE SCHOOL DISTRICT THE STUDENT ATTENDS.

26 (D) GUIDELINES.--

27 (1) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL DISTRICT
28 SHALL PREPARE GUIDELINES ESTABLISHING AN APPLICATION FORM AND
29 APPROVAL PROCESS, STANDARDS FOR VERIFICATION AS TO THE
30 ACCURACY OF APPLICATION INFORMATION, CONFIRMATION OF

1 ATTENDANCE BY A STUDENT WHO RECEIVES A TUITION GRANT,
2 RESTRICTIVE ENDORSEMENT OF GRANT CHECKS BY PARENTS TO THE
3 SCHOOL CHOSEN BY THE PARENTS, PRO RATA REFUNDS OF GRANTS FOR
4 STUDENTS WHO WITHDRAW DURING THE SCHOOL YEAR, REPAYMENT OF
5 REFUNDED GRANTS TO THE SCHOOL DISTRICT AND REASONABLE
6 DEADLINE DATES FOR SUBMISSION OF GRANT APPLICATIONS.

7 (2) THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL SHALL
8 ANNOUNCE THE AWARD OF GRANTS NO LATER THAN AUGUST 1 OF THE
9 SCHOOL YEAR IN WHICH THE GRANTS WILL BE UTILIZED.

10 (3) UPON RECEIPT OF WRITTEN CONFIRMATION OF ENROLLMENT
11 FROM THE STUDENT'S SCHOOL OF CHOICE, GRANTS SHALL BE PAID TO
12 THE PARENTS OF A STUDENT BY A CHECK THAT MAY ONLY BE ENDORSED
13 TO THE SELECTED SCHOOL.

14 (4) IN THE EVENT A STUDENT IS NO LONGER ENROLLED PRIOR
15 TO THE COMPLETION OF THE SCHOOL TERM, THE SCHOOL SHALL SEND
16 WRITTEN NOTICE THEREOF TO THE SCHOOL DISTRICT.

17 (E) NONTAXABLE.--GRANTS AWARDED TO STUDENTS UNDER THIS
18 SECTION SHALL NOT BE CONSIDERED TAXABLE INCOME FOR PURPOSES OF
19 ANY LOCAL TAXING ORDINANCE OR FOR PURPOSES OF ARTICLE III, NOR
20 SHALL SUCH GRANTS CONSTITUTE FINANCIAL ASSISTANCE OR
21 APPROPRIATIONS TO THE SCHOOL ATTENDED BY THE STUDENT.

22 (F) CONSTRUCTION.--NOTHING IN THIS SECTION SHALL BE
23 CONSTRUED TO EMPOWER THE COMMONWEALTH OR ANY SCHOOL DISTRICT OR
24 ANY OF THEIR AGENCIES OR OFFICERS TO:

25 (1) PRESCRIBE THE COURSE CONTENT OR ADMISSIONS CRITERIA
26 FOR ANY RELIGIOUSLY AFFILIATED SCHOOL;

27 (2) COMPEL ANY PRIVATE SCHOOL TO ACCEPT OR ENROLL A
28 STUDENT;

29 (3) IMPOSE ANY ADDITIONAL REQUIREMENTS ON ANY PRIVATE
30 SCHOOL THAT ARE NOT OTHERWISE AUTHORIZED; OR

1 (4) REQUIRE ANY SCHOOL TO ACCEPT OR RETAIN A STUDENT IF
2 THE SCHOOL DOES NOT OFFER PROGRAMS OR IS NOT STRUCTURED OR
3 EQUIPPED WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL
4 NEEDS OF THE STUDENT OR DOES NOT OFFER A PARTICULAR PROGRAM
5 REQUESTED.

6 SECTION 1712-G.1. ORIGINAL JURISDICTION.

7 THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE AND
8 ORIGINAL JURISDICTION TO HEAR ANY CHALLENGE OR TO RENDER A
9 DECLARATORY JUDGMENT CONCERNING THE CONSTITUTIONALITY OF THIS
10 ARTICLE. THE PENNSYLVANIA SUPREME COURT MAY TAKE SUCH ACTION AS
11 IT DEEMS APPROPRIATE, CONSISTENT WITH THE PENNSYLVANIA SUPREME
12 COURT'S RETAINING JURISDICTION OVER SUCH A MATTER, TO FIND FACTS
13 OR TO EXPEDITE A FINAL JUDGMENT IN CONNECTION WITH SUCH A
14 CHALLENGE OR REQUEST FOR DECLARATORY RELIEF.]

15 SECTION 10. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.