



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1207

PRINTERS NO. 4154

PRIME SPONSOR: Christiana

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	\$0

SUMMARY: House Bill 1207, Printer's Number 4154, amends the Tax Reform Code further providing for educational improvement tax credit and repealing provisions relating to educational opportunity scholarship tax credit.

ANALYSIS: This legislation amends the Tax Reform Code combining the Educational Improvement Tax Credit (EITC) and the Educational Opportunity Scholarship Tax Credit (EOSTC) into Article XVII-F and renames the article Educational Tax Credits. Furthermore, the amendment does the following:

- 1) adds the Malt Beverage Tax to the definition of "applicable taxes";
- 2) expands the definition of a pass-through entity;
- 3) further provides for the utilization of tax credits that are passed-through to shareholders, partners or members;
- 4) adds five-year old and six-year old students to the definition of "Pre-kindergarten program";
- 5) provides that a business firm may make a two-year commitment for a contribution to a pre-kindergarten scholarship organization with at least the same amount of contribution;
- 6) provides that if all tax credits have not been awarded as of October 1, DCED shall accept applications for tax credits through November 30 from business firms, including those that already applied for the maximum amount;
- 7) provides for a waiting list of business firms; and
- 8) provides for the reallocation of unused tax credits beginning January 1.

The act shall take effect immediately.

FISCAL IMPACT: Enactment of this legislation will have no adverse fiscal impact on Commonwealth funds as the total amount of tax credits available to be awarded in a fiscal year remains unchanged from current law.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: September 23, 2014

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