



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 752

PRINTERS NO. 1473

PRIME SPONSOR: Christiana

REVENUE INCREASE / (DECREASE)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	(\$100,000,000)

SUMMARY: House Bill 752, Printer's Number 1473, amends the Tax Reform Code further providing for tax credits and limitations in educational tax credits.

ANALYSIS: Article XVII-F (Educational Tax Credits) currently provides for a total of \$100 million in Educational Improvement Tax Credits (EITC) and a total of \$50 million in Opportunity Scholarship Tax Credits (OSTC). This legislation increases the amount of tax credits available under the EITC program to \$170 million and the amount available under the OSTC program to \$80 million, a total increase in Educational Tax Credits of \$100 million.

The additional \$70 million in tax credits made available under the EITC program is provided as follows: (1) \$42 million for contributions to scholarship organizations; (2) \$21 million for contributions to educational improvement organizations; and (3) \$7 million for contributions to pre-kindergarten scholarship organizations.

Subsection (2.1) is added to Section 1705-F(j) (Reallocation of Tax Credits) providing that in any fiscal year, the first \$10 million in tax credits available for reallocation shall be set aside for contributions to pre-kindergarten scholarship organizations prior to being made available to the other categories of tax credits.

The act shall take effect in 60 days.

FISCAL IMPACT: To the extent that the additional tax credits made available by this legislation are fully utilized, enactment of this legislation will result in the loss of revenue to the General Fund of \$100 million annually beginning in fiscal year 2015-16.

PREPARED BY: Ritchie LaFaver
House Appropriations Committee (R)

DATE: May 8, 2015

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