



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 522

PRINTERS NO. 987

PRIME SPONSOR: Tobash

COST / (SAVINGS)

FUND	FY 2018/19	FY 2019/20
General Fund	\$0	See Fiscal Impact

SUMMARY:

House Bill 522 amends the Public School Code concerning a career and technical education investment incentive program. Effective dates vary by provision.

ANALYSIS:

House Bill 522 amends the Public School Code by adding a new article establishing a career and technical education investment incentive program. It establishes a new tax credit for business firms contributing to a career and technical education partnership organization (CTPO), defined as a non-profit entity that provides support or expands access to career and technical education programs by contributing at least 80% of its annual receipts to a program established to pay the fees associated with increasing the enrollment of eligible students in a career and technical education program at participating public schools, charter schools, regional charter schools, or area career and technical schools.

In order to qualify for contributions, a CTPO must certify to the Department of Community and Economic Development (DCED) that the organization is eligible to participate in the program. The CTPO must also agree to annually report to DCED information detailed in the legislation.

The bill also establishes a timeline whereby businesses can contribute to CTPOs and take tax credits beginning in the 2019-20 fiscal year, and each year thereafter. Business firms may apply for tax credits no earlier than January 1, 2020 for the 2019-20 fiscal year, and no earlier than July 1 for each fiscal year thereafter.

FISCAL IMPACT:

House Bill 522 limits tax credits available through the career and technical education investment incentive program to not more than \$15 million in a fiscal year, so the bill could result in a reduction to General Fund revenues of up to \$15 million beginning in 2019-20.

PREPARED BY: Jeff Miller
House Appropriations Committee (R)

DATE: March 19, 2019

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