

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 91 Session of 2013

INTRODUCED BY EVANKOVICH, DUNBAR, SAYLOR, SWANGER, HARHAI, AUMENT, TRUITT, EMRICK, HICKERNELL, GINGRICH, HALUSKA, KORTZ, V. BROWN, MAJOR, SCHLOSSBERG, DAVIS, KAUFFMAN, BROOKS, MILLARD, MACKENZIE, PICKETT, BIZZARRO, READSHAW, BENNINGHOFF, O'NEILL, HAHN, M. K. KELLER, CUTLER, MOUL, PETRI, ROCK, EVERETT, GROVE, R. BROWN, R. MILLER, SIMMONS, MURT, OBERLANDER, MILNE, PEIFER, MATZIE, MALONEY, CALTAGIRONE, TURZAI, CLYMER AND TOBASH, JANUARY 14, 2013

SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS AMENDED, OCTOBER 8, 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," in educational improvement tax credit, further~~
 11 ~~providing for definitions and for limitations.~~ <--
 12 AMENDING THE ACT OF MARCH 4, 1971 (P.L.6, NO.2), ENTITLED "AN
 13 ACT RELATING TO TAX REFORM AND STATE TAXATION BY CODIFYING
 14 AND ENUMERATING CERTAIN SUBJECTS OF TAXATION AND IMPOSING
 15 TAXES THEREON; PROVIDING PROCEDURES FOR THE PAYMENT,
 16 COLLECTION, ADMINISTRATION AND ENFORCEMENT THEREOF; PROVIDING
 17 FOR TAX CREDITS IN CERTAIN CASES; CONFERRING POWERS AND
 18 IMPOSING DUTIES UPON THE DEPARTMENT OF REVENUE, CERTAIN
 19 EMPLOYERS, FIDUCIARIES, INDIVIDUALS, PERSONS, CORPORATIONS
 20 AND OTHER ENTITIES; PRESCRIBING CRIMES, OFFENSES AND
 21 PENALTIES," FURTHER PROVIDING FOR EDUCATIONAL IMPROVEMENT TAX
 22 CREDIT; AND REPEALING PROVISIONS RELATING TO EDUCATIONAL
 23 OPPORTUNITY SCHOLARSHIP TAX CREDIT; AND, IN CITY

1 REVITALIZATION AND IMPROVEMENT ZONES, FURTHER PROVIDING FOR
2 DEFINITIONS.

3 The General Assembly of the Commonwealth of Pennsylvania
4 hereby enacts as follows:

5 ~~Section 1. The definition of "public school" in section~~ <--
6 ~~1702 F of the act of March 4, 1971 (P.L.6, No.2), known as the~~
7 ~~Tax Reform Code of 1971, added October 9, 2009 (P.L.451, No.48),~~
8 ~~is amended and the section is amended by adding a definition to~~
9 ~~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 ~~* * *~~

15 ~~"Career and technical school." A public secondary school~~
16 ~~established under the provisions of Article XVIII of the act of~~
17 ~~March 10, 1949 (P.L.30, No.14), known as the Public School Code~~
18 ~~of 1949.~~

19 ~~* * *~~

20 ~~"Public school." A public pre kindergarten where compulsory~~
21 ~~attendance requirements do not apply or a public kindergarten,~~
22 ~~elementary school [or], secondary school or career and technical~~
23 ~~school at which the compulsory attendance requirements of this~~
24 ~~Commonwealth may be met and which meets the applicable~~
25 ~~requirements of Title VI of the Civil Rights Act of 1964 (Public~~
26 ~~Law 88 352, 78 Stat. 241).~~

27 ~~* * *~~

28 ~~Section 2. Section 1706 F(a) of the act, amended July 2,~~ <--
29 ~~2012 (P.L.751, No.85), is amended to read:~~

30 ~~Section 1706 F. Limitations.~~

1 ~~(a) Amount.~~

2 ~~(1) The total aggregate amount of all tax credits~~
3 ~~approved shall not exceed \$100,000,000 in a fiscal year. No~~
4 ~~less than \$60,000,000 of the total aggregate amount shall be~~
5 ~~used to provide tax credits for contributions from business~~
6 ~~firms to scholarship organizations. No less than \$30,000,000~~
7 ~~of the total aggregate amount shall be used to provide tax~~
8 ~~credits for 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 total aggregate amount~~
18 ~~of all tax credits approved for contributions from~~
19 ~~business firms to pre-kindergarten scholarship programs~~
20 ~~shall not exceed \$8,000,000 in a fiscal year.~~

21 ~~(iii) For fiscal year 2012-2013 and each fiscal year~~
22 ~~thereafter, the total aggregate amount of all tax credits~~
23 ~~approved for contributions from business firms to pre-~~
24 ~~kindergarten scholarship programs shall not exceed~~
25 ~~\$10,000,000 in a fiscal year.~~

26 ~~(3) (i) From the tax credits for contributions by~~
27 ~~business firms to educational improvement organizations,~~
28 ~~10% of the available amount shall initially be set aside~~
29 ~~for contributions by business firms to educational~~
30 ~~improvement organizations that provide donations to~~

~~career and technical schools and shall be distributed in accordance with section 1705 F(g).~~

~~(ii) Tax credits remaining from the amount set aside in subparagraph (i) after July 1 of each year shall be made available to business firms for contributions to any educational improvement organization and shall be distributed in accordance with section 1705 F(g).~~

* * *

~~Section 3-2-3. This act shall take effect in 60 days.~~

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

ARTICLE XVII-F

EDUCATIONAL [IMPROVEMENT TAX CREDIT]

TAX CREDITS

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

SECTION 1701-F. SCOPE OF ARTICLE.

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

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

SECTION 1702-F. DEFINITIONS.

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

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

5 "APPLICANT." AN ELIGIBLE STUDENT WHO APPLIES FOR A
6 SCHOLARSHIP.

7 "ASSESSMENT." THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
8 TEST, THE KEYSTONE EXAM, AN EQUIVALENT LOCAL ASSESSMENT OR
9 ANOTHER TEST ESTABLISHED BY THE STATE BOARD OF EDUCATION TO MEET
10 THE REQUIREMENTS OF SECTION 2603-B(D) (10) (I) OF THE PUBLIC
11 SCHOOL CODE OF 1949, AND REQUIRED UNDER THE NO CHILD LEFT BEHIND
12 ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS
13 SUCCESSOR STATUTE OR ANOTHER TEST REQUIRED TO ACHIEVE OTHER
14 STANDARDS ESTABLISHED BY THE DEPARTMENT OF EDUCATION FOR THE
15 PUBLIC SCHOOL OR SCHOOL DISTRICT UNDER 22 PA. CODE § 403.3
16 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

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

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

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

30 "CAREER AND TECHNICAL SCHOOL." A PUBLIC SECONDARY SCHOOL

1 ESTABLISHED UNDER THE PROVISIONS OF ARTICLE XVIII OF THE ACT OF
2 MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE
3 OF 1949.

4 * * *

5 "ELEMENTARY SCHOOL." A SCHOOL WHICH IS NOT A SECONDARY
6 SCHOOL.

7 * * *

8 "INCOME ALLOWANCE."

9 [(1) AS FOLLOWS:

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

13 (II) AFTER JUNE 30, 2011, AND THROUGH JUNE 30, 2013,
14 \$12,000 FOR EACH ELIGIBLE STUDENT, ELIGIBLE PRE-
15 KINDERGARTEN STUDENT AND DEPENDENT MEMBER OF THE
16 HOUSEHOLD.

17 (III) AFTER JUNE 30, 2013, AND THROUGH JUNE 30,
18 2014, \$15,000 FOR EACH ELIGIBLE STUDENT, ELIGIBLE PRE-
19 KINDERGARTEN STUDENT AND DEPENDENT MEMBER OF THE
20 HOUSEHOLD.

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

29 THE BASE AMOUNT OF \$15,000 FOR EACH ELIGIBLE STUDENT,
30 ELIGIBLE PRE-KINDERGARTEN STUDENT AND DEPENDENT MEMBER OF THE

1 HOUSEHOLD. BEGINNING JULY 1, 2014, THE DEPARTMENT SHALL ANNUALLY
2 ADJUST THE BASE AMOUNT TO REFLECT UPWARD CHANGES IN THE CONSUMER
3 PRICE INDEX FOR ALL URBAN CONSUMERS FOR THE PENNSYLVANIA, NEW
4 JERSEY, DELAWARE AND MARYLAND AREA FOR THE PRECEDING 12 MONTHS.
5 THE DEPARTMENT SHALL IMMEDIATELY SUBMIT THE ADJUSTED AMOUNTS TO
6 THE LEGISLATIVE REFERENCE BUREAU FOR PUBLICATION AS A NOTICE IN
7 THE PENNSYLVANIA BULLETIN.

8 * * *

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

12 "LOW-ACHIEVING SCHOOL." A PUBLIC SCHOOL THAT RANKED IN THE
13 LOWEST 15% OF THE SCHOOL'S DESIGNATION AS AN ELEMENTARY SCHOOL
14 OR A SECONDARY SCHOOL BASED ON COMBINED MATHEMATICS AND READING
15 SCORES FROM THE ANNUAL ASSESSMENT ADMINISTERED IN THE PREVIOUS
16 SCHOOL YEAR AND FOR WHICH THE DEPARTMENT OF EDUCATION HAS POSTED
17 RESULTS ON THE DEPARTMENT OF EDUCATION'S PUBLICLY ACCESSIBLE
18 INTERNET WEBSITE. THE TERM DOES NOT INCLUDE A CHARTER SCHOOL,
19 CYBER CHARTER SCHOOL OR AREA VOCATIONAL-TECHNICAL SCHOOL.

20 "MAXIMUM ANNUAL HOUSEHOLD INCOME."

21 (1) [EXCEPT AS SET FORTH IN PARAGRAPH (2) AND SUBJECT TO
22 PARAGRAPH (3), AS FOLLOWS:

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

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

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

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

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

1 (I) [THE SUM OF:
2 (A)] THE APPLICABLE AMOUNT UNDER PARAGRAPH (1) [;
3 AND
4 (B) THE APPLICABLE INCOME ALLOWANCE]; BY
5 (II) THE APPLICABLE SUPPORT LEVEL FACTOR ACCORDING
6 TO THE FOLLOWING TABLE:

7 SUPPORT LEVEL	SUPPORT LEVEL FACTOR
8 1	1.50
9 2	2.993

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

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

22 "OPPORTUNITY SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY
23 WHICH:

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

27 (2) CONTRIBUTES AT LEAST 80% OF THE ENTITY'S ANNUAL CASH
28 RECEIPTS TO AN OPPORTUNITY SCHOLARSHIP PROGRAM.

29 FOR THE PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY
30 CONTRIBUTES THE ENTITY'S CASH RECEIPTS TO AN OPPORTUNITY

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

5 "OPPORTUNITY SCHOLARSHIP." AN AWARD GIVEN TO AN APPLICANT TO
6 PAY TUITION AND SCHOOL-RELATED FEES NECESSARY TO ATTEND A
7 PARTICIPATING NONPUBLIC SCHOOL OR A PARTICIPATING PUBLIC SCHOOL
8 LOCATED IN A SCHOOL DISTRICT WHICH IS NOT THE RECIPIENT'S SCHOOL
9 DISTRICT OF RESIDENCE.

10 "OPPORTUNITY SCHOLARSHIP PROGRAM." A PROGRAM TO PROVIDE
11 OPPORTUNITY SCHOLARSHIPS TO ELIGIBLE STUDENTS WHO RESIDE WITHIN
12 THE ATTENDANCE AREA OF A LOW-ACHIEVING SCHOOL.

13 "PARENT." AN INDIVIDUAL WHO:

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

15 (2) EITHER:

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

17 OR

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

19 SUPPORTS THE STUDENT GRATIS AS IF THE STUDENT WERE A

20 LINEAL DESCENDANT OF THE INDIVIDUAL.

21 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL WHICH
22 NOTIFIES THE DEPARTMENT OF EDUCATION UNDER SECTION 1711-F THAT
23 THE SCHOOL WISHES TO ACCEPT OPPORTUNITY SCHOLARSHIP RECIPIENTS.

24 "PARTICIPATING PUBLIC SCHOOL." A PUBLIC SCHOOL IN A SCHOOL
25 DISTRICT WHICH NOTIFIES THE DEPARTMENT OF EDUCATION UNDER
26 SECTION 1711-F THAT THE SCHOOL WISHES TO ACCEPT OPPORTUNITY
27 SCHOLARSHIP RECIPIENTS. THE TERM DOES NOT INCLUDE A LOW-
28 ACHIEVING SCHOOL.

29 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION
30 301(N.0), A SINGLE-MEMBER LIMITED LIABILITY COMPANY TREATED AS A

1 DISREGARDED ENTITY FOR FEDERAL INCOME TAX PURPOSES OR A
2 PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1). THE
3 TERM INCLUDES A PASS-THROUGH ENTITY THAT OWNS AN INTEREST IN A
4 PASS-THROUGH ENTITY.

5 "PRE-KINDERGARTEN PROGRAM." A PROGRAM OF INSTRUCTION FOR
6 THREE-YEAR-OLD [OR], FOUR-YEAR-OLD, FIVE-YEAR-OLD OR SIX-YEAR-
7 OLD STUDENTS, OTHER THAN A KINDERGARTEN, THAT UTILIZES A
8 CURRICULUM ALIGNED WITH THE CURRICULUM OF THE SCHOOL WITH WHICH
9 IT IS AFFILIATED AND WHICH PROVIDES ONE OF THE FOLLOWING:

10 (1) A MINIMUM OF TWO HOURS OF INSTRUCTIONAL AND
11 DEVELOPMENTAL ACTIVITIES PER DAY AT LEAST 60 DAYS PER SCHOOL
12 YEAR.

13 (2) A MINIMUM OF TWO HOURS OF INSTRUCTIONAL AND
14 DEVELOPMENTAL ACTIVITIES PER DAY AT LEAST 20 DAYS OVER THE
15 SUMMER RECESS.

16 * * *

17 "PUBLIC SCHOOL." A PUBLIC PRE-KINDERGARTEN WHERE COMPULSORY
18 ATTENDANCE REQUIREMENTS DO NOT APPLY OR A PUBLIC KINDERGARTEN,
19 ELEMENTARY SCHOOL [OR], SECONDARY SCHOOL OR CAREER AND TECHNICAL
20 SCHOOL AT WHICH THE COMPULSORY ATTENDANCE REQUIREMENTS OF THIS
21 COMMONWEALTH MAY BE MET AND WHICH MEETS THE APPLICABLE
22 REQUIREMENTS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964 (PUBLIC
23 LAW 88-352, 78 STAT. 241).

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

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

27 * * *

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

30 * * *

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

2 * * *

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

4 (1) IS SCHOOL AGE.

5 (2) IS A RESIDENT OF THIS COMMONWEALTH.

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

7 * * *

8 SECTION 4. SECTION 1703-F OF THE ACT, AMENDED OR ADDED
9 OCTOBER 9, 2009 (P.L.451, NO.48) AND JULY 2, 2012 (P.L.751,
10 NO.85), IS AMENDED TO READ:

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

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

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

26 (C) SCHOLARSHIP ORGANIZATIONS AND PRE-KINDERGARTEN
27 SCHOLARSHIP ORGANIZATIONS.--A SCHOLARSHIP ORGANIZATION OR PRE-
28 KINDERGARTEN SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE
29 DEPARTMENT THAT THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN
30 THE EDUCATIONAL IMPROVEMENT TAX CREDIT PROGRAM ESTABLISHED UNDER

1 THIS ARTICLE AND MUST AGREE TO ANNUALLY REPORT THE FOLLOWING
2 INFORMATION TO THE DEPARTMENT BY SEPTEMBER 1 OF EACH YEAR:

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

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

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

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

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

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

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

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

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

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

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

22 (D) EDUCATIONAL IMPROVEMENT ORGANIZATION.--

23 (1) AN APPLICATION SUBMITTED BY AN EDUCATIONAL
24 IMPROVEMENT ORGANIZATION MUST DESCRIBE ITS PROPOSED
25 INNOVATIVE EDUCATIONAL PROGRAM OR PROGRAMS IN A FORM
26 PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT SHALL CONSULT
27 WITH THE DEPARTMENT OF EDUCATION AS NECESSARY. THE DEPARTMENT
28 SHALL REVIEW AND APPROVE OR DISAPPROVE THE APPLICATION. IN
29 ORDER TO BE ELIGIBLE TO PARTICIPATE IN THE EDUCATIONAL
30 IMPROVEMENT TAX CREDIT PROGRAM ESTABLISHED UNDER THIS

1 ARTICLE, AN EDUCATIONAL IMPROVEMENT ORGANIZATION MUST AGREE
2 TO ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE
3 DEPARTMENT BY [DECEMBER 1, 2005, AND] SEPTEMBER 1 OF EACH
4 YEAR [THEREAFTER]:

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

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

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

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

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

29 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL
30 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER

1 THAN [SEPTEMBER 1, 2005, AND] MAY 1 OF EACH YEAR
2 [THEREAFTER], THE DEPARTMENT SHALL ANNUALLY DISTRIBUTE SUCH
3 SAMPLE FORMS, TOGETHER WITH THE FORMS ON WHICH THE REPORTS
4 ARE REQUIRED TO BE MADE, TO EACH LISTED EDUCATIONAL
5 IMPROVEMENT ORGANIZATION.

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

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

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

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

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

28 (II) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED
29 DURING THE IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE
30 STUDENTS IN GRADES KINDERGARTEN THROUGH EIGHT.

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

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

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

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

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

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

27 (IX) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
28 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
29 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
30 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL.

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

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

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

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

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

30 (XV) THE OPPORTUNITY SCHOLARSHIP ORGANIZATION'S

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

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

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

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

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

28 SECTION 5. SECTION 1704-F OF THE ACT, ADDED OCTOBER 9, 2009
29 (P.L.451, NO.48), IS AMENDED TO READ:
30 SECTION 1704-F. APPLICATION BY BUSINESS FIRMS.

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

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

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

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

30 (E) APPLICATION IN THE ALTERNATIVE.--AT THE TIME OF

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

11 SECTION 6. SECTIONS 1705-F AND 1706-F OF THE ACT, AMENDED
12 JULY 2, 2012 (P.L.751, NO.85), ARE AMENDED TO READ:

13 SECTION 1705-F. TAX [CREDIT] CREDITS.

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

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

27 (2) FOR FISCAL YEAR [2012-2013, THE TAX CREDIT SHALL NOT
28 EXCEED \$400,000 ANNUALLY PER BUSINESS FIRM FOR CONTRIBUTIONS
29 MADE TO SCHOLARSHIP ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT
30 ORGANIZATIONS. FOR FISCAL YEAR 2013-2014] 2014-2015, AND EACH

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

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

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

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

19 (B) ADDITIONAL AMOUNT.--[THE] IN ACCORDANCE WITH SECTION
20 1706-F, THE DEPARTMENT OF REVENUE SHALL GRANT A TAX CREDIT OF UP
21 TO 90% OF THE TOTAL AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR
22 IF THE BUSINESS FIRM PROVIDES A WRITTEN COMMITMENT TO PROVIDE
23 THE SCHOLARSHIP ORGANIZATION [OR], EDUCATIONAL IMPROVEMENT
24 ORGANIZATION OR OPPORTUNITY SCHOLARSHIP ORGANIZATION WITH THE
25 SAME AMOUNT OF CONTRIBUTION FOR TWO CONSECUTIVE TAX YEARS. THE
26 BUSINESS FIRM MUST PROVIDE THE WRITTEN COMMITMENT UNDER THIS
27 SUBSECTION TO THE DEPARTMENT AT THE TIME OF APPLICATION.

28 (C) PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS.--IN
29 ACCORDANCE WITH SECTION [1706-F(A)] 1706-F, THE DEPARTMENT OF
30 REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY [TAX DUE UNDER

1 ARTICLE III, IV, VI, VII, VIII, IX OR XV OR UNDER ARTICLE XVI OF
2 THE INSURANCE COMPANY LAW OF 1921] APPLICABLE TAX TO A BUSINESS
3 FIRM PROVIDING PROOF OF A CONTRIBUTION TO A PRE-KINDERGARTEN
4 SCHOLARSHIP ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE
5 CONTRIBUTION IS MADE [WHICH] IN ACCORDANCE WITH THE FOLLOWING:

6 (1) THE TAX CREDIT SHALL BE EQUAL TO 100% OF THE FIRST
7 \$10,000 CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
8 FIRM[,] AND [WHICH] SHALL NOT EXCEED 90% OF THE REMAINING
9 AMOUNT CONTRIBUTED DURING THE TAXABLE YEAR BY THE BUSINESS
10 FIRM. AT THE TIME OF APPLICATION, A BUSINESS FIRM MAY PROVIDE
11 A WRITTEN COMMITMENT TO THE DEPARTMENT TO PROVIDE THE PRE-
12 KINDERGARTEN SCHOLARSHIP ORGANIZATION WITH AT LEAST THE SAME
13 AMOUNT OF CONTRIBUTION FOR TWO CONSECUTIVE YEARS.

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

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

25 (1) [\$400,000 FOR] \$750,000 FOR COMBINED CONTRIBUTIONS
26 [UNDER SUBSECTIONS (A) AND (B) MADE DURING FISCAL YEAR 2012-
27 2013 OR IN EXCESS OF] TO SCHOLARSHIP AND EDUCATIONAL
28 IMPROVEMENT ORGANIZATIONS UNDER SUBSECTIONS (A) AND (B).

29 (2) \$750,000 FOR CONTRIBUTIONS [UNDER SUBSECTIONS (A)
30 AND (B) MADE AFTER FISCAL YEAR 2012-2013. IN NO CASE SHALL A

1 BUSINESS FIRM RECEIVE TAX CREDITS IN ANY TAX YEAR IN EXCESS
2 OF] TO OPPORTUNITY SCHOLARSHIP ORGANIZATIONS UNDER
3 SUBSECTIONS (A.1) AND (B).

4 (3) \$200,000 FOR CONTRIBUTIONS [UNDER SUBSECTION (C)] TO
5 PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS UNDER SUBSECTION
6 (C).

7 (E) PASS-THROUGH ENTITY.--

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

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

28 (3) THE SHAREHOLDER, MEMBER OR PARTNER MAY NOT CARRY
29 FORWARD, CARRY BACK, OBTAIN A REFUND OF OR SELL OR ASSIGN THE
30 CREDIT.

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

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

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

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

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

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

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

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

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

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

29 (III) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM
30 THAT ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS

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

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

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

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

28 (I) IF THE TOTAL AMOUNT OF TAX CREDITS APPLIED FOR
29 BY ALL BUSINESS FIRMS UNDER THIS SUBSECTION DOES NOT
30 EXCEED THE TOTAL AMOUNT OF TAX CREDITS THAT REMAINED

1 AVAILABLE FOR AWARD WITHIN A CATEGORY AS OF OCTOBER 1,
2 LESS THOSE TAX CREDITS AWARDED UNDER SUBSECTION (I) (3),
3 THEN EACH BUSINESS FIRM MAY BE AWARDED THE FULL AMOUNT OF
4 TAX CREDITS APPLIED FOR.

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

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

28 (J) REALLOCATION OF TAX CREDITS.--

29 (1) BEGINNING ON JANUARY 1 OF ANY FISCAL YEAR, IF ANY
30 TAX CREDITS AUTHORIZED UNDER THIS ARTICLE FOR CONTRIBUTIONS

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

25 (2) AFTER THE DEPARTMENT HAS AWARDED TAX CREDITS UNDER
26 PARAGRAPH (1), THE DEPARTMENT SHALL ACCEPT NEW APPLICATIONS
27 FOR REALLOCATION OF TAX CREDITS FROM ANY OF THE CATEGORIES OF
28 SCHOLARSHIP ORGANIZATIONS, OPPORTUNITY SCHOLARSHIP
29 ORGANIZATIONS OR PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS
30 FOR WHICH TAX CREDITS REMAIN AVAILABLE TO THE APPLICANT'S

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

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

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

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

23 SECTION 1706-F. LIMITATIONS.

24 (A) AMOUNT.--

25 (1) THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
26 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP
27 ORGANIZATIONS, EDUCATIONAL IMPROVEMENT ORGANIZATIONS AND PRE-
28 KINDERGARTEN SCHOLARSHIP ORGANIZATIONS SHALL NOT EXCEED
29 \$100,000,000 IN A FISCAL YEAR.

30 (I) NO LESS THAN \$60,000,000 OF THE TOTAL AGGREGATE

1 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR
2 CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP
3 ORGANIZATIONS.

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

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

9 (I) FOR FISCAL YEARS 2004-2005, 2005-2006 AND 2006-
10 2007, THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS
11 APPROVED FOR CONTRIBUTIONS FROM BUSINESS FIRMS TO PRE-
12 KINDERGARTEN SCHOLARSHIP PROGRAMS SHALL NOT EXCEED
13 \$5,000,000 IN A FISCAL YEAR.

14 (II) FOR FISCAL YEARS 2007-2008, 2008-2009, 2009-
15 2010, 2010-2011 AND 2011-2012, THE]

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

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

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

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

30 (C) TAX LIABILITY.--

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

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

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

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

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

23 SECTION 7. SECTION 1707-F OF THE ACT, ADDED OCTOBER 9, 2009
24 (P.L.451, NO.48), IS AMENDED TO READ:

25 SECTION 1707-F. LISTS.

26 THE DEPARTMENT OF REVENUE SHALL PROVIDE A LIST OF ALL
27 SCHOLARSHIP ORGANIZATIONS, PRE-KINDERGARTEN SCHOLARSHIP
28 ORGANIZATIONS [AND], EDUCATIONAL IMPROVEMENT ORGANIZATIONS AND
29 OPPORTUNITY SCHOLARSHIP ORGANIZATIONS RECEIVING CONTRIBUTIONS
30 FROM BUSINESS FIRMS GRANTED A TAX CREDIT UNDER THIS ARTICLE TO

1 THE GENERAL ASSEMBLY BY JUNE 30TH OF EACH YEAR.

2 SECTION 8. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:
3 SECTION 1709-F. OPPORTUNITY SCHOLARSHIPS.

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

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

24 (1) AN APPLICANT WHO RECEIVED AN OPPORTUNITY SCHOLARSHIP
25 FOR THE PRIOR SCHOOL YEAR.

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

30 (3) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME

1 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR
2 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
3 APPLICATION IS BEING MADE AND WHO RESIDES WITHIN ANY OF THE
4 FOLLOWING:

5 (I) A FIRST CLASS SCHOOL DISTRICT.

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

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

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

18 (E) AMOUNT.--

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

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

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

29 SECTION 1710-F. LOW-ACHIEVING SCHOOLS.

30 (A) LIST OF LOW-ACHIEVING SCHOOLS.--BY FEBRUARY 1 OF EACH

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

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

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

14 (1) A DESCRIPTION OF THE OPPORTUNITY SCHOLARSHIP
15 PROGRAM.

16 (2) INSTRUCTIONS FOR APPLYING FOR AN OPPORTUNITY
17 SCHOLARSHIP.

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

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

25 (D) NOTIFICATION TO PARENTS.--

26 (1) WITHIN 15 DAYS OF RECEIPT OF A NOTIFICATION UNDER
27 SUBSECTION (B), A SCHOOL DISTRICT SHALL NOTIFY THE PARENTS OF
28 EACH STUDENT WHO IS CURRENTLY ATTENDING OR RESIDING WITHIN
29 THE ATTENDANCE BOUNDARY OF A LOW-ACHIEVING SCHOOL DURING THE
30 SCHOOL YEAR OF THE SCHOOL'S DESIGNATION.

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

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

8 (I) A DESCRIPTION OF THE OPPORTUNITY SCHOLARSHIP
9 PROGRAM.

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

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

18 (E) AVERAGE DAILY MEMBERSHIP.--

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

28 (2) DURING THE YEAR REFERENCED IN PARAGRAPH (1) AND EACH
29 SCHOOL YEAR THEREAFTER, A SCHOOL DISTRICT OF A PARTICIPATING
30 PUBLIC SCHOOL IN WHICH THE RECIPIENT IS ENROLLED SHALL NOT

1 INCLUDE THE RECIPIENT IN THE SCHOOL DISTRICT'S AVERAGE DAILY
2 MEMBERSHIP.

3 SECTION 1711-F. SCHOOL PARTICIPATION IN PROGRAM.

4 (A) ELECTION.--

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

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

11 (B) NOTICE.--

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

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

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

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

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

30 (C) TUITION RATES.--

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

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

12 (D) PARTICIPATING PUBLIC SCHOOL CRITERIA.--THE FOLLOWING
13 CRITERIA APPLY TO A PARTICIPATING PUBLIC SCHOOL:

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

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

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

27 (2) THE ENROLLMENT OF RECIPIENTS MAY NOT PLACE THE
28 SCHOOL DISTRICT IN VIOLATION OF A VALID AND BINDING
29 DESEGREGATION ORDER.

30 (3) PRIORITY SHALL BE GIVEN TO:

1 (I) AN EXISTING RECIPIENT.

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

4 (E) PARTICIPATING NONPUBLIC SCHOOL CRITERIA.--THE FOLLOWING
5 CRITERIA APPLY TO A PARTICIPATING NONPUBLIC SCHOOL:

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

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

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

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

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

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

28 (G) TRANSPORTATION.--

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

1 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

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

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

10 (H) CONSTRUCTION.--NOTHING IN THIS ARTICLE SHALL BE
11 CONSTRUED TO:

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

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

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

28 (A) GENERAL RULE.--THE BOARD OF SCHOOL DIRECTORS OF A SCHOOL
29 DISTRICT MAY USE FUNDS RECEIVED FROM THE COMMONWEALTH FOR
30 EDUCATIONAL PURPOSES TO ESTABLISH A PROGRAM OF TUITION GRANTS TO

1 PROVIDE FOR THE EDUCATION OF STUDENTS WHO RESIDE WITHIN THE
2 DISTRICT AND ATTEND OR WILL ATTEND A PUBLIC OR NONPUBLIC SCHOOL
3 ON A TUITION-PAYING BASIS.

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

8 (C) AVERAGE DAILY MEMBERSHIP.--

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

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

17 (D) GUIDELINES.--

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

20 (I) ESTABLISHMENT OF AN APPLICATION FORM AND
21 APPROVAL PROCESS.

22 (II) STANDARDS FOR VERIFICATION OF THE ACCURACY OF
23 APPLICATION INFORMATION.

24 (III) CONFIRMATION OF ATTENDANCE BY A STUDENT WHO
25 RECEIVES A TUITION GRANT.

26 (IV) RESTRICTIVE ENDORSEMENT OF GRANT CHECKS BY
27 PARENTS TO THE SCHOOL CHOSEN BY THE PARENTS.

28 (V) PRO RATA REFUNDS OF GRANTS FOR STUDENTS WHO
29 WITHDRAW DURING THE SCHOOL YEAR.

30 (VI) REPAYMENT OF REFUNDED GRANTS TO THE SCHOOL

1 DISTRICT.

2 (VII) REASONABLE DEADLINE DATES FOR SUBMISSION OF
3 GRANT APPLICATIONS.

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

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

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

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

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

18 (2) CONSTITUTE FINANCIAL ASSISTANCE OR APPROPRIATIONS TO
19 THE SCHOOL ATTENDED BY THE STUDENT.

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

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

25 (2) COMPEL ANY PRIVATE SCHOOL TO ACCEPT OR ENROLL A
26 STUDENT.

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

29 (4) REQUIRE ANY SCHOOL TO ACCEPT OR RETAIN A STUDENT IF
30 THE SCHOOL DOES NOT OFFER PROGRAMS OR IS NOT STRUCTURED OR

1 EQUIPPED WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL
2 NEEDS OF THE STUDENT OR DOES NOT OFFER A PARTICULAR PROGRAM
3 REQUESTED.

4 SECTION 1713-F. ORIGINAL JURISDICTION.

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

13 SECTION 9. ARTICLE XVII-G.1 HEADING AND SECTIONS 1701-G.1,
14 1702-G.1, 1703-G.1, 1704-G.1, 1705-G.1, 1706-G.1 AND 1707-G.1,
15 OF THE ACT, ADDED JULY 2, 2012 (P.L.751, NO.85), ARE REPEALED:

16 [ARTICLE XVII-G.1

17 EDUCATIONAL OPPORTUNITY SCHOLARSHIP TAX CREDIT
18 SECTION 1701-G.1. SCOPE OF ARTICLE.

19 THIS ARTICLE ESTABLISHES THE EDUCATIONAL OPPORTUNITY
20 SCHOLARSHIP TAX CREDIT.

21 SECTION 1702-G.1. DEFINITIONS.

22 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
23 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
24 CONTEXT CLEARLY INDICATES OTHERWISE:

25 "APPLICANT." AN ELIGIBLE STUDENT WHO APPLIES FOR A
26 SCHOLARSHIP.

27 "ASSESSMENT." THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
28 TEST, THE KEYSTONE EXAM, AN EQUIVALENT LOCAL ASSESSMENT OR
29 ANOTHER TEST ESTABLISHED BY THE STATE BOARD OF EDUCATION TO MEET
30 THE REQUIREMENTS OF SECTION 2603-B(D)(10)(I) OF THE PUBLIC

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

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

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

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

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

20 "DEPARTMENT." THE DEPARTMENT OF COMMUNITY AND ECONOMIC
21 DEVELOPMENT OF THE COMMONWEALTH.

22 "ELEMENTARY SCHOOL." A SCHOOL WHICH IS NOT A SECONDARY
23 SCHOOL.

24 "ELIGIBLE STUDENT." A STUDENT OR A STUDENT WITH A DISABILITY
25 WHO:

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

29 (2) IS A MEMBER OF A HOUSEHOLD WHICH HAS A HOUSEHOLD
30 INCOME NO GREATER THAN THE MAXIMUM ANNUAL HOUSEHOLD INCOME

1 ALLOWANCE.

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

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

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

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

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

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

23 (5) PAYMENTS TO REIMBURSE ACTUAL EXPENSES.

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

28 (7) COMPENSATION RECEIVED BY UNITED STATES SERVICEMEN
29 SERVING IN A COMBAT ZONE.

30 "INCOME ALLOWANCE."

1 (1) THE FOLLOWING SHALL APPLY:

2 (I) AFTER JUNE 30, 2012, AND THROUGH JUNE 30, 2013,
3 \$12,000 FOR EACH DEPENDENT MEMBER OF THE HOUSEHOLD.

4 (II) AFTER JUNE 30, 2013, AND THROUGH JUNE 30, 2014,
5 \$15,000 FOR EACH DEPENDENT MEMBER OF THE HOUSEHOLD.

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

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

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

25 "MAXIMUM ANNUAL HOUSEHOLD INCOME ALLOWANCE."

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

28 (I) EITHER:

29 (A) AFTER JUNE 30, 2012, AND THROUGH JUNE 30,
30 2013, NOT MORE THAN \$60,000; OR

1 (B) AFTER JUNE 30, 2013, NOT MORE THAN \$75,000.

2 (II) THE APPLICABLE INCOME ALLOWANCE.

3 (2) WITH RESPECT TO A STUDENT WITH A DISABILITY, AS
4 CALCULATED BY MULTIPLYING:

5 (I) THE APPLICABLE AMOUNT UNDER PARAGRAPH (1); BY

6 (II) THE APPLICABLE SUPPORT LEVEL FACTOR ACCORDING
7 TO THE FOLLOWING TABLE:

8	SUPPORT LEVEL	SUPPORT LEVEL FACTOR
9	1	1.50
10	2	2.993

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

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

22 "PARENT." AN INDIVIDUAL WHO:

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

24 (2) EITHER:

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

26 OR

27 (II) KEEPS IN HIS HOME A STUDENT AND SUPPORTS THE
28 STUDENT GRATIS AS IF THE STUDENT WERE A LINEAL DESCENDANT
29 OF THE INDIVIDUAL.

30 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL WHICH

1 NOTIFIES THE DEPARTMENT OF EDUCATION UNDER SECTION 1710-G.1 THAT
2 IT WISHES TO PARTICIPATE IN THE PROGRAM.

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

7 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION
8 301(N.0), A SINGLE-MEMBER LIMITED LIABILITY COMPANY TREATED AS A
9 DISREGARDED ENTITY FOR FEDERAL INCOME TAX PURPOSES OR A
10 PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1).

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

13 "PROGRAM." THE EDUCATIONAL OPPORTUNITY SCHOLARSHIP TAX
14 CREDIT PROGRAM ESTABLISHED UNDER THIS ARTICLE.

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

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

21 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

22 (1) IS EXEMPT FROM FEDERAL TAXATION UNDER SECTION
23 501(C) (3) OF THE INTERNAL REVENUE CODE OF 1986 (PUBLIC LAW
24 99-514, 26 U.S.C. § 1 ET SEQ.); AND

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

27 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY

28 "CONTRIBUTES" ITS ANNUAL CASH RECEIPTS TO A SCHOLARSHIP PROGRAM
29 WHEN IT EXPENDS OR OTHERWISE IRREVOCABLY ENCUMBERS THOSE FUNDS
30 FOR DISTRIBUTION DURING THE THEN CURRENT FISCAL YEAR OF THE

1 NONPROFIT ENTITY OR DURING THE NEXT SUCCEEDING FISCAL YEAR OF
2 THE NONPROFIT ENTITY.

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

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

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

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

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

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

- 25 (1) IS LICENSED UNDER THE ACT OF JANUARY 28, 1988
26 (P.L.24, NO.11), KNOWN AS THE PRIVATE ACADEMIC SCHOOLS ACT;
27 (2) IS ACCREDITED BY AN ACCREDITING ASSOCIATION APPROVED
28 BY THE STATE BOARD OF EDUCATION;
29 (3) IS A SCHOOL FOR THE BLIND OR DEAF RECEIVING
30 COMMONWEALTH APPROPRIATIONS; OR

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

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

5 (1) IS SCHOOL AGE.

6 (2) IS A RESIDENT OF THIS COMMONWEALTH.

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

8 "STUDENT WITH A DISABILITY." A STUDENT WHO MEETS ALL OF THE
9 FOLLOWING:

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

15 (2) NEEDS SPECIAL EDUCATION AND RELATED SERVICES.

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

18 SUPPORT LEVEL 1 - THE STUDENT IS NOT ENROLLED IN A
19 SPECIAL EDUCATION SCHOOL.

20 SUPPORT LEVEL 2 - THE STUDENT IS ENROLLED AS A STUDENT IN
21 A SPECIAL EDUCATION SCHOOL.

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

23 (A) ESTABLISHMENT.--THE EDUCATIONAL OPPORTUNITY SCHOLARSHIP
24 TAX CREDIT PROGRAM IS ESTABLISHED. THE PROGRAM SHALL PROVIDE TAX
25 CREDITS TO ENTITIES THAT PROVIDE CONTRIBUTIONS TO SCHOLARSHIP
26 ORGANIZATIONS. THE SCHOLARSHIP ORGANIZATIONS MUST ENHANCE THE
27 EDUCATIONAL OPPORTUNITIES AVAILABLE TO STUDENTS IN THIS
28 COMMONWEALTH BY PROVIDING SCHOLARSHIPS TO ELIGIBLE STUDENTS WHO
29 RESIDE WITHIN THE ATTENDANCE BOUNDARY OF LOW-ACHIEVING SCHOOLS
30 TO ATTEND SCHOOLS WHICH ARE NOT LOW-ACHIEVING SCHOOLS AND WHICH

1 ARE NOT A PUBLIC SCHOOL WITHIN THE SCHOOL DISTRICT OF RESIDENCE.

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

8 (C) ANNUAL CERTIFICATION OF ELIGIBILITY.--BY AUGUST 15,
9 2012, AND BY FEBRUARY 15, 2013, AND EACH FEBRUARY 15 THEREAFTER,
10 A SCHOLARSHIP ORGANIZATION MUST CERTIFY TO THE DEPARTMENT THAT
11 THE ORGANIZATION IS ELIGIBLE TO PARTICIPATE IN THE PROGRAM.

12 (D) REPORT.--

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

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

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

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

27 (IV) THE TOTAL NUMBER OF APPLICATIONS FOR
28 SCHOLARSHIPS RECEIVED DURING THE IMMEDIATELY PRECEDING
29 SCHOOL YEAR FROM ELIGIBLE STUDENTS IN GRADES 9 THROUGH
30 12.

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

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

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

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

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

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

26 (XI) THE TOTAL AND AVERAGE AMOUNTS OF THE
27 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
28 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
29 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
30 RESIDE WITHIN A FIRST CLASS SCHOOL DISTRICT.

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

8 (XIII) THE TOTAL AND AVERAGE AMOUNTS OF THE
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 SCHOOL DISTRICT WITH AN AVERAGE DAILY
13 MEMBERSHIP GREATER THAN 7,500 AND THAT RECEIVES AN
14 ADVANCE OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME.

15 (XIV) 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 AND WHO RESIDE WITHIN A SCHOOL DISTRICT
19 THAT RECEIVES AN ADVANCE OF ITS BASIC EDUCATION SUBSIDY
20 AT ANY TIME AND IS EITHER SUBJECT TO A DECLARATION OF
21 FINANCIAL DISTRESS UNDER SECTION 691 OF THE PUBLIC SCHOOL
22 CODE OF 1949 OR ENGAGED IN LITIGATION AGAINST THE
23 COMMONWEALTH IN WHICH THE SCHOOL DISTRICT SEEKS FINANCIAL
24 ASSISTANCE FROM THE COMMONWEALTH TO ALLOW THE SCHOOL
25 DISTRICT TO CONTINUE TO OPERATE.

26 (XV) THE TOTAL AND AVERAGE AMOUNTS OF THE
27 SCHOLARSHIPS AWARDED DURING THE IMMEDIATELY PRECEDING
28 SCHOOL YEAR TO APPLICANTS WITH A HOUSEHOLD INCOME THAT
29 DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL AND WHO
30 RESIDE WITHIN A SCHOOL DISTRICT THAT RECEIVES AN ADVANCE

1 OF ITS BASIC EDUCATION SUBSIDY AT ANY TIME AND IS EITHER
2 SUBJECT TO A DECLARATION OF FINANCIAL DISTRESS UNDER
3 SECTION 691 OF THE PUBLIC SCHOOL CODE OF 1949 OR IS
4 ENGAGED IN LITIGATION AGAINST THE COMMONWEALTH IN WHICH
5 THE SCHOOL DISTRICT SEEKS FINANCIAL ASSISTANCE FROM THE
6 COMMONWEALTH TO ALLOW THE SCHOOL DISTRICT TO CONTINUE TO
7 OPERATE.

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

12 (XVII) THE SCHOLARSHIP ORGANIZATION'S FEDERAL FORM
13 990 OR OTHER FEDERAL FORM INDICATING THE TAX STATUS OF
14 THE SCHOLARSHIP ORGANIZATION FOR FEDERAL TAX PURPOSES, IF
15 ANY, AND A COPY OF A COMPILATION, REVIEW OR AUDIT OF THE
16 SCHOLARSHIP ORGANIZATION'S FINANCIAL STATEMENTS CONDUCTED
17 BY A CERTIFIED PUBLIC ACCOUNTING FIRM.

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

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

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

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

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

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

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

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

20 (A) SCHOLARSHIP ORGANIZATIONS.--

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

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

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

8 (B) ADDITIONAL AMOUNT.--

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

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

17 (C) COMBINATION OF TAX CREDITS.--

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

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

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

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

29 (D) PASS-THROUGH ENTITY.--

30 (1) IF A PASS-THROUGH ENTITY DOES NOT INTEND TO USE ALL

1 APPROVED TAX CREDITS UNDER THIS SECTION, IT MAY ELECT IN
2 WRITING TO TRANSFER ALL OR A PORTION OF THE CREDIT TO
3 SHAREHOLDERS, MEMBERS OR PARTNERS IN PROPORTION TO THE SHARE
4 OF THE ENTITY'S DISTRIBUTIVE INCOME TO WHICH THE SHAREHOLDER,
5 MEMBER OR PARTNER IS ENTITLED FOR USE IN THE TAXABLE YEAR IN
6 WHICH THE CONTRIBUTION IS MADE OR IN THE TAXABLE YEAR
7 IMMEDIATELY FOLLOWING THE YEAR IN WHICH THE CONTRIBUTION IS
8 MADE. THE ELECTION SHALL DESIGNATE THE YEAR IN WHICH THE
9 TRANSFERRED CREDITS ARE TO BE USED AND SHALL BE MADE
10 ACCORDING TO PROCEDURES ESTABLISHED BY THE DEPARTMENT OF
11 REVENUE.

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

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

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

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

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

25 (2) THE APPLICATION OF ANY BUSINESS FIRM FOR TAX CREDITS
26 AVAILABLE DURING A FISCAL YEAR AS PART OF THE SECOND YEAR OF
27 A TWO-YEAR COMMITMENT OR AS A RENEWAL OF A TWO-YEAR
28 COMMITMENT THAT WAS FULFILLED IN THE PREVIOUS FISCAL YEAR MAY
29 BE ACCEPTED NO EARLIER THAN MAY 15 PRECEDING THE FISCAL YEAR.

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

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

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

6 (C) TAX LIABILITY.--

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

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

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

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

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

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

29 SECTION 10. SECTION 1708-G.1 OF THE ACT, AMENDED OR ADDED
30 JULY 2, 2012 (P.L.751, NO.85) AND JULY 9, 2013 (P.L.270, NO.52),

1 IS REPEALED.

2 [SECTION 1708-G.1. SCHOLARSHIPS.

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

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

23 (1) AN APPLICANT WHO RECEIVED A SCHOLARSHIP FOR THE
24 PRIOR SCHOOL YEAR.

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

29 (3) AN APPLICANT OF A HOUSEHOLD WITH A HOUSEHOLD INCOME
30 THAT DOES NOT EXCEED 185% OF THE FEDERAL POVERTY LEVEL FOR

1 THE SCHOOL YEAR PRECEDING THE SCHOOL YEAR FOR WHICH THE
2 APPLICATION IS BEING MADE AND WHO RESIDES WITHIN ANY OF THE
3 FOLLOWING:

4 (I) A FIRST CLASS SCHOOL DISTRICT;

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

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

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

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

23 (E) AMOUNT.--

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

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

28 (3) IN NO CASE SHALL THE COMBINED AMOUNT OF THE
29 SCHOLARSHIP AWARDED TO A RECIPIENT AND ANY ADDITIONAL
30 FINANCIAL ASSISTANCE PROVIDED TO THE RECIPIENT EXCEED THE

1 TUITION RATE AND SCHOOL-RELATED FEES FOR THE PARTICIPATING
2 PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL THAT THE
3 RECIPIENT WILL ATTEND.

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

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

10 SECTION 11. SECTIONS 1709-G.1, 1710-G.1, 1711-G.1 AND 1712-
11 G.1 OF THE ACT, ADDED JULY 2, 2012 (P.L.751, NO.85), ARE
12 REPEALED:

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

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

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

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

29 (1) A DESCRIPTION OF THE PROGRAM.

30 (2) INSTRUCTIONS FOR APPLYING FOR A SCHOLARSHIP.

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

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

8 (D) NOTIFICATION TO PARENTS.--

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

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

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

21 (I) A DESCRIPTION OF THE PROGRAM.

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

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

29 (E) AVERAGE DAILY MEMBERSHIP.--

30 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE

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

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

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

14 (A) ELECTION.--

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

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

21 (B) NOTICE.--

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

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

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

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

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

9 (C) TUITION RATES.--

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

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

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

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

29 (I) HAS BEEN EXPELLED OR IS IN THE PROCESS OF BEING
30 EXPELLED UNDER SECTION 1317.2 OR 1318 OF THE PUBLIC

1 SCHOOL CODE OF 1949 AND APPLICABLE REGULATIONS OF THE
2 STATE BOARD OF EDUCATION; OR

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

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

8 (3) PRIORITY SHALL BE GIVEN TO:

9 (I) AN EXISTING RECIPIENT.

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

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

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

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

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

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

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

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

6 (G) TRANSPORTATION.--

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

9 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

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

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

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

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

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

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

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

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

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

16 (C) AVERAGE DAILY MEMBERSHIP.--

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

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

25 (D) GUIDELINES.--

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

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

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

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

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

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

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

30 (4) REQUIRE ANY SCHOOL TO ACCEPT OR RETAIN A STUDENT IF

1 THE SCHOOL DOES NOT OFFER PROGRAMS OR IS NOT STRUCTURED OR
2 EQUIPPED WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL
3 NEEDS OF THE STUDENT OR DOES NOT OFFER A PARTICULAR PROGRAM
4 REQUESTED.

5 SECTION 1712-G.1. ORIGINAL JURISDICTION.

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

14 SECTION 12. THE DEFINITION OF "CONTRACTING AUTHORITY" IN
15 SECTION 1802-C OF THE ACT, ADDED JULY 9, 2013 (P.L.270,
16 NO.52), IS AMENDED TO READ:

17 SECTION 1802-C. DEFINITIONS.

18 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ARTICLE
19 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
20 CONTEXT CLEARLY INDICATES OTHERWISE:

21 * * *

22 "CONTRACTING AUTHORITY." AN AUTHORITY ESTABLISHED UNDER 53
23 PA.C.S. CH. 56 (RELATING TO MUNICIPAL AUTHORITIES) BY A CITY,
24 BOROUGH, TOWNSHIP OR HOME RULE COUNTY FOR THE PURPOSE OF:

25 (1) DESIGNATING ZONES; AND

26 (2) ENGAGING IN THE CONSTRUCTION, INCLUDING RELATED SITE
27 PREPARATION AND INFRASTRUCTURE, RECONSTRUCTION OR RENOVATION
28 OF FACILITIES.

29 * * *

30 SECTION 13. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.