

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

AS AMENDED ON THIRD CONSIDERATION, IN SENATE, OCTOBER 14, 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
 24 REVITALIZATION AND IMPROVEMENT ZONES, FURTHER PROVIDING FOR

1 DEFINITIONS AND FOR ESTABLISHMENT OF CONTRACTING AUTHORITY. <--

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

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

9 ~~Section 1702 F. Definitions.~~

10 ~~The following words and phrases when used in this article~~
11 ~~shall have the meanings given to them in this section unless the~~
12 ~~context clearly indicates otherwise:~~

13 ~~* * *~~

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

18 ~~* * *~~

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

26 ~~* * *~~

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

29 ~~Section 1706 F. Limitations.~~

30 ~~(a) Amount.~~

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

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

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

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

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

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

1 ~~accordance with section 1705 F(g).~~

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

7 * * *

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

9 SECTION 1. ARTICLE XVII-F HEADING OF THE ACT OF MARCH 4, <--
10 1971 (P.L.6, NO.2), KNOWN AS THE TAX REFORM CODE OF 1971, ADDED
11 OCTOBER 9, 2009 (P.L.451, NO.48), IS AMENDED TO READ:

12 ARTICLE XVII-F

13 EDUCATIONAL [IMPROVEMENT TAX CREDIT]

14 TAX CREDITS

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

17 SECTION 1701-F. SCOPE OF ARTICLE.

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

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

26 SECTION 1702-F. DEFINITIONS.

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

30 "APPLICABLE TAXES." ANY OF THE TAXES DUE UNDER ARTICLE III,

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

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

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

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

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

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

29 "CAREER AND TECHNICAL SCHOOL." A PUBLIC SECONDARY SCHOOL
30 ESTABLISHED UNDER THE PROVISIONS OF ARTICLE XVIII OF THE ACT OF

1 MARCH 10, 1949 (P.L.30, NO.14), KNOWN AS THE PUBLIC SCHOOL CODE
2 OF 1949.

3 * * *

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

6 * * *

7 "INCOME ALLOWANCE."

8 [(1) AS FOLLOWS:

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

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

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

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

28 THE BASE AMOUNT OF \$15,000 FOR EACH ELIGIBLE STUDENT,
29 ELIGIBLE PRE-KINDERGARTEN STUDENT AND DEPENDENT MEMBER OF THE
30 HOUSEHOLD. BEGINNING JULY 1, 2014, THE DEPARTMENT SHALL ANNUALLY

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

7 * * *

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

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

19 "MAXIMUM ANNUAL HOUSEHOLD INCOME."

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

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

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

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

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

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

30 (I) [THE SUM OF:

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

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

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

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

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

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

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

28 FOR THE PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY
29 CONTRIBUTES THE ENTITY'S CASH RECEIPTS TO AN OPPORTUNITY
30 SCHOLARSHIP PROGRAM WHEN THE ENTITY EXPENDS OR OTHERWISE

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

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

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

12 "PARENT." AN INDIVIDUAL WHO:

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

14 (2) EITHER:

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

16 OR

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

18 SUPPORTS THE STUDENT GRATIS AS IF THE STUDENT WERE A

19 LINEAL DESCENDANT OF THE INDIVIDUAL.

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

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

28 "PASS-THROUGH ENTITY." A PARTNERSHIP AS DEFINED IN SECTION
29 301(N.0), A SINGLE-MEMBER LIMITED LIABILITY COMPANY TREATED AS A
30 DISREGARDED ENTITY FOR FEDERAL INCOME TAX PURPOSES OR A

1 PENNSYLVANIA S CORPORATION AS DEFINED IN SECTION 301(N.1). THE
2 TERM INCLUDES A PASS-THROUGH ENTITY THAT OWNS AN INTEREST IN A
3 PASS-THROUGH ENTITY.

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

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

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

15 * * *

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

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

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

26 * * *

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

29 * * *

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

1 * * *

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

3 (1) IS SCHOOL AGE.

4 (2) IS A RESIDENT OF THIS COMMONWEALTH.

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

6 * * *

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

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

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

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

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

1 INFORMATION TO THE DEPARTMENT BY SEPTEMBER 1 OF EACH YEAR:

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

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

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

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

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

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

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

30 (VIII) THE TOTAL NUMBER OF SCHOLARSHIP APPLICATIONS

1 PROCESSED AND THE AMOUNTS OF ANY APPLICATION FEES
2 CHARGED, EITHER PER SCHOLARSHIP APPLICATION OR IN THE
3 AGGREGATE THROUGH A THIRD-PARTY PROCESSOR.

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

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

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

21 (D) EDUCATIONAL IMPROVEMENT ORGANIZATION.--

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

1 TO ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE
2 DEPARTMENT BY [DECEMBER 1, 2005, AND] SEPTEMBER 1 OF EACH
3 YEAR [THEREAFTER]:

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

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

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

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

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

28 (2) THE INFORMATION REQUIRED UNDER PARAGRAPH (1) SHALL
29 BE SUBMITTED ON A FORM PROVIDED BY THE DEPARTMENT. NO LATER
30 THAN [SEPTEMBER 1, 2005, AND] MAY 1 OF EACH YEAR

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

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

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

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

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

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

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

30 (III) THE TOTAL AND AVERAGE AMOUNTS OF THE

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

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

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

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

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

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

26 (IX) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
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.

30 (X) THE NUMBER OF OPPORTUNITY SCHOLARSHIPS AWARDED

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

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

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

17 (XIII) THE TOTAL AND AVERAGE AMOUNTS OF OPPORTUNITY
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 AND WHO
21 RESIDE WITHIN A SCHOOL DISTRICT THAT WAS DESIGNATED AS A
22 FINANCIAL RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A OF
23 THE PUBLIC SCHOOL CODE OF 1949 AT THE TIME OF THE AWARD.

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

29 (XV) THE OPPORTUNITY SCHOLARSHIP ORGANIZATION'S
30 FEDERAL FORM 990 OR OTHER FEDERAL FORM INDICATING THE TAX

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

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

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

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

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

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

30 (A) SCHOLARSHIP ORGANIZATION [OR] PRE-KINDERGARTEN

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

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

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

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

29 (E) APPLICATION IN THE ALTERNATIVE.--AT THE TIME OF
30 APPLICATION FOR AN EDUCATIONAL IMPROVEMENT OR OPPORTUNITY

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

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

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

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

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

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

1 \$750,000 ANNUALLY PER BUSINESS FIRM FOR CONTRIBUTIONS MADE TO
2 SCHOLARSHIP ORGANIZATIONS OR EDUCATIONAL IMPROVEMENT
3 ORGANIZATIONS [.] EXCEPT AS PROVIDED UNDER SUBSECTION (I).

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

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

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

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

27 (C) PRE-KINDERGARTEN SCHOLARSHIP ORGANIZATIONS.--IN
28 ACCORDANCE WITH SECTION [1706-F(A)] 1706-F, THE DEPARTMENT OF
29 REVENUE SHALL GRANT A TAX CREDIT AGAINST ANY [TAX DUE UNDER
30 ARTICLE III, IV, VI, VII, VIII, IX OR XV OR UNDER ARTICLE XVI OF

1 THE INSURANCE COMPANY LAW OF 1921] APPLICABLE TAX TO A BUSINESS
2 FIRM PROVIDING PROOF OF A CONTRIBUTION TO A PRE-KINDERGARTEN
3 SCHOLARSHIP ORGANIZATION IN THE TAXABLE YEAR IN WHICH THE
4 CONTRIBUTION IS MADE [WHICH] IN ACCORDANCE WITH THE FOLLOWING:

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

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

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

24 (1) [\$400,000 FOR] \$750,000 FOR COMBINED CONTRIBUTIONS
25 [UNDER SUBSECTIONS (A) AND (B) MADE DURING FISCAL YEAR 2012-
26 2013 OR IN EXCESS OF] TO SCHOLARSHIP AND EDUCATIONAL
27 IMPROVEMENT ORGANIZATIONS UNDER SUBSECTIONS (A) AND (B).

28 (2) \$750,000 FOR CONTRIBUTIONS [UNDER SUBSECTIONS (A)
29 AND (B) MADE AFTER FISCAL YEAR 2012-2013. IN NO CASE SHALL A
30 BUSINESS FIRM RECEIVE TAX CREDITS IN ANY TAX YEAR IN EXCESS

1 OF] TO OPPORTUNITY SCHOLARSHIP ORGANIZATIONS UNDER
2 SUBSECTIONS (A.1) AND (B).

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

6 (E) PASS-THROUGH ENTITY.--

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

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

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

30 (4) AN INDIVIDUAL SHAREHOLDER, PARTNER OR MEMBER MAY

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

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

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

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

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

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

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

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

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

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

28 (III) A BUSINESS FIRM, INCLUDING A BUSINESS FIRM
29 THAT ALREADY APPLIED FOR THE MAXIMUM TAX CREDITS
30 AVAILABLE PURSUANT TO SUBSECTIONS (C) AND (D), MAY APPLY

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

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

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

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

27 (I) IF THE TOTAL AMOUNT OF TAX CREDITS APPLIED FOR
28 BY ALL BUSINESS FIRMS UNDER THIS SUBSECTION DOES NOT
29 EXCEED THE TOTAL AMOUNT OF TAX CREDITS THAT REMAINED
30 AVAILABLE FOR AWARD WITHIN A CATEGORY AS OF OCTOBER 1,

1 LESS THOSE TAX CREDITS AWARDED UNDER SUBSECTION (I) (3),
2 THEN EACH BUSINESS FIRM MAY BE AWARDED THE FULL AMOUNT OF
3 TAX CREDITS APPLIED FOR.

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

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

27 (J) REALLOCATION OF TAX CREDITS.--

28 (1) BEGINNING ON JANUARY 1 OF ANY FISCAL YEAR, IF ANY
29 TAX CREDITS AUTHORIZED UNDER THIS ARTICLE FOR CONTRIBUTIONS
30 TO ANY OF THE CATEGORIES OF SCHOLARSHIP ORGANIZATIONS,

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

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

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

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

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

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

22 SECTION 1706-F. LIMITATIONS.

23 (A) AMOUNT.--

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

29 (I) NO LESS THAN \$60,000,000 OF THE TOTAL AGGREGATE
30 AMOUNT SHALL BE USED TO PROVIDE TAX CREDITS FOR

1 CONTRIBUTIONS FROM BUSINESS FIRMS TO SCHOLARSHIP
2 ORGANIZATIONS.

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

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

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

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

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

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

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

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

29 (C) TAX LIABILITY.--

30 (1) EXCEPT AS PROVIDED IN PARAGRAPH (2), A TAX CREDIT

1 GRANTED FOR ANY ONE TAXABLE YEAR MAY NOT EXCEED THE TAX
2 LIABILITY OF A BUSINESS FIRM.

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

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

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

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

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

24 SECTION 1707-F. LISTS.

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

1 SECTION 8. THE ACT IS AMENDED BY ADDING SECTIONS TO READ:

2 SECTION 1709-F. OPPORTUNITY SCHOLARSHIPS.

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

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

23 (1) AN APPLICANT WHO RECEIVED AN OPPORTUNITY SCHOLARSHIP
24 FOR THE 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 DESIGNATED AS A FINANCIAL
6 RECOVERY SCHOOL DISTRICT UNDER ARTICLE VI-A OF THE
7 PUBLIC SCHOOL CODE OF 1949 FOR THE YEAR FOR WHICH THE
8 AWARD IS MADE.

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

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

17 (E) AMOUNT.--

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

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

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

28 SECTION 1710-F. LOW-ACHIEVING SCHOOLS.

29 (A) LIST OF LOW-ACHIEVING SCHOOLS.--BY FEBRUARY 1 OF EACH
30 YEAR, THE DEPARTMENT OF EDUCATION SHALL PUBLISH ON THE

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

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

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

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

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

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

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

24 (D) NOTIFICATION TO PARENTS.--

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

30 (2) UPON REGISTRATION OF A KINDERGARTEN STUDENT, A

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

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

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

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

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

17 (E) AVERAGE DAILY MEMBERSHIP.--

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

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

1 MEMBERSHIP.

2 SECTION 1711-F. SCHOOL PARTICIPATION IN PROGRAM.

3 (A) ELECTION.--

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

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

10 (B) NOTICE.--

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

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

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

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

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

29 (C) TUITION RATES.--

30 (1) NO SCHOOL DISTRICT OF A PARTICIPATING PUBLIC SCHOOL

1 OR PARTICIPATING NONPUBLIC SCHOOL MAY CHARGE A RECIPIENT A
2 HIGHER TUITION RATE OR SCHOOL-RELATED FEE THAN THE SCHOOL
3 DISTRICT OF THE PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING
4 NONPUBLIC SCHOOL WOULD HAVE CHARGED TO A SIMILARLY SITUATED
5 STUDENT WHO IS NOT RECEIVING AN OPPORTUNITY SCHOLARSHIP.

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

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

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

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

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

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

29 (3) PRIORITY SHALL BE GIVEN TO:

30 (I) AN EXISTING RECIPIENT.

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

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

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

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

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

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

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

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

27 (G) TRANSPORTATION.--

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

30 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

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

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

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

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

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

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

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

1 DISTRICT AND ATTEND OR WILL ATTEND A PUBLIC OR NONPUBLIC SCHOOL
2 ON A TUITION-PAYING BASIS.

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

7 (C) AVERAGE DAILY MEMBERSHIP.--

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

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

16 (D) GUIDELINES.--

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

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

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

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

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

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

29 (VI) REPAYMENT OF REFUNDED GRANTS TO THE SCHOOL
30 DISTRICT.

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

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

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

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

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

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

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

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

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

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

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

28 (4) REQUIRE ANY SCHOOL TO ACCEPT OR RETAIN A STUDENT IF
29 THE SCHOOL DOES NOT OFFER PROGRAMS OR IS NOT STRUCTURED OR
30 EQUIPPED WITH THE NECESSARY FACILITIES TO MEET THE SPECIAL

1 NEEDS OF THE STUDENT OR DOES NOT OFFER A PARTICULAR PROGRAM
2 REQUESTED.

3 SECTION 1713-F. ORIGINAL JURISDICTION.

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

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

15 [ARTICLE XVII-G.1

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

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

20 SECTION 1702-G.1. DEFINITIONS.

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

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

26 "ASSESSMENT." THE PENNSYLVANIA SYSTEM OF SCHOOL ASSESSMENT
27 TEST, THE KEYSTONE EXAM, AN EQUIVALENT LOCAL ASSESSMENT OR
28 ANOTHER TEST ESTABLISHED BY THE STATE BOARD OF EDUCATION TO MEET
29 THE REQUIREMENTS OF SECTION 2603-B(D)(10)(I) OF THE PUBLIC
30 SCHOOL CODE OF 1949 AND REQUIRED UNDER THE NO CHILD LEFT BEHIND

1 ACT OF 2001 (PUBLIC LAW 107-110, 115 STAT. 1425) OR ITS
2 SUCCESSOR STATUTE OR ANY OTHER TEST REQUIRED TO ACHIEVE OTHER
3 STANDARDS ESTABLISHED BY THE DEPARTMENT OF EDUCATION FOR THE
4 PUBLIC SCHOOL OR SCHOOL DISTRICT UNDER 22 PA. CODE § 403.3
5 (RELATING TO SINGLE ACCOUNTABILITY SYSTEM).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

22 (5) PAYMENTS TO REIMBURSE ACTUAL EXPENSES.

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

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

29 "INCOME ALLOWANCE."

30 (1) THE FOLLOWING SHALL APPLY:

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

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

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

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

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

24 "MAXIMUM ANNUAL HOUSEHOLD INCOME ALLOWANCE."

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

27 (I) EITHER:

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

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

1 (II) THE APPLICABLE INCOME ALLOWANCE.

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

4 (I) THE APPLICABLE AMOUNT UNDER PARAGRAPH (1); 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 SHALL ANNUALLY ADJUST THE INCOME
12 AMOUNTS UNDER PARAGRAPHS (1) AND (2) TO REFLECT ANY UPWARD
13 CHANGES IN THE CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS
14 FOR THE PENNSYLVANIA, NEW JERSEY, DELAWARE AND MARYLAND AREA
15 IN THE PRECEDING 12 MONTHS AND SHALL IMMEDIATELY SUBMIT THE
16 ADJUSTED AMOUNTS TO THE LEGISLATIVE REFERENCE BUREAU FOR
17 PUBLICATION AS A NOTICE IN THE PENNSYLVANIA BULLETIN.

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

21 "PARENT." AN INDIVIDUAL WHO:

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

23 (2) EITHER:

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

25 OR

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

29 "PARTICIPATING NONPUBLIC SCHOOL." A NONPUBLIC SCHOOL WHICH
30 NOTIFIES THE DEPARTMENT OF EDUCATION UNDER SECTION 1710-G.1 THAT

1 IT WISHES TO PARTICIPATE IN THE PROGRAM.

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

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

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

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

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

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

20 "SCHOLARSHIP ORGANIZATION." A NONPROFIT ENTITY WHICH:

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

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

26 FOR PURPOSES OF THIS DEFINITION, A NONPROFIT ENTITY

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

1 THE NONPROFIT ENTITY.

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

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

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

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

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

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

24 (1) IS LICENSED UNDER THE ACT OF JANUARY 28, 1988
25 (P.L.24, NO.11), KNOWN AS THE PRIVATE ACADEMIC SCHOOLS ACT;

26 (2) IS ACCREDITED BY AN ACCREDITING ASSOCIATION APPROVED
27 BY THE STATE BOARD OF EDUCATION;

28 (3) IS A SCHOOL FOR THE BLIND OR DEAF RECEIVING
29 COMMONWEALTH APPROPRIATIONS; OR

30 (4) IS OPERATED BY OR UNDER THE AUTHORITY OF A BONA FIDE

1 RELIGIOUS INSTITUTION OR BY THE COMMONWEALTH OR ANY POLITICAL
2 SUBDIVISION THEREOF.

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

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

14 (2) NEEDS SPECIAL EDUCATION AND RELATED SERVICES.

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

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

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

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

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

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

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

11 (D) REPORT.--

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

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

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

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

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

30 (V) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE

1 IMMEDIATELY PRECEDING SCHOOL YEAR TO ELIGIBLE STUDENTS IN
2 GRADES 9 THROUGH 12.

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

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

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

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

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

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

30 (XII) THE NUMBER OF SCHOLARSHIPS AWARDED DURING THE

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

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

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

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

1 SUBJECT TO A DECLARATION OF FINANCIAL DISTRESS UNDER
2 SECTION 691 OF THE PUBLIC SCHOOL CODE OF 1949 OR IS
3 ENGAGED IN LITIGATION AGAINST THE COMMONWEALTH IN WHICH
4 THE SCHOOL DISTRICT SEEKS FINANCIAL ASSISTANCE FROM THE
5 COMMONWEALTH TO ALLOW THE SCHOOL DISTRICT TO CONTINUE TO
6 OPERATE.

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

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

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

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

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

30 (F) PUBLICATION.--THE DEPARTMENT SHALL ANNUALLY PUBLISH A

1 LIST OF EACH SCHOLARSHIP ORGANIZATION QUALIFIED UNDER THIS
2 SECTION IN THE PENNSYLVANIA BULLETIN AND SHALL POST AND UPDATE
3 THE LIST AS NECESSARY ON THE PUBLICLY ACCESSIBLE INTERNET
4 WEBSITE OF THE DEPARTMENT.

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

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

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

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

19 (A) SCHOLARSHIP ORGANIZATIONS.--

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

30 (2) FOR THE FISCAL YEAR 2012-2013, THE TAX CREDIT SHALL

1 NOT EXCEED \$400,000 ANNUALLY PER BUSINESS FIRM FOR
2 CONTRIBUTIONS MADE TO SCHOLARSHIP ORGANIZATIONS.

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

7 (B) ADDITIONAL AMOUNT.--

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

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

16 (C) COMBINATION OF TAX CREDITS.--

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

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

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

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

28 (D) PASS-THROUGH ENTITY.--

29 (1) IF A PASS-THROUGH ENTITY DOES NOT INTEND TO USE ALL
30 APPROVED TAX CREDITS UNDER THIS SECTION, IT MAY ELECT IN

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

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

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

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

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

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

24 (2) THE APPLICATION OF ANY BUSINESS FIRM FOR TAX CREDITS
25 AVAILABLE DURING A FISCAL YEAR AS PART OF THE SECOND YEAR OF
26 A TWO-YEAR COMMITMENT OR AS A RENEWAL OF A TWO-YEAR
27 COMMITMENT THAT WAS FULFILLED IN THE PREVIOUS FISCAL YEAR MAY
28 BE ACCEPTED NO EARLIER THAN MAY 15 PRECEDING THE FISCAL YEAR.
29 SECTION 1706-G.1. TAX CREDIT LIMITATIONS.

30 (A) AMOUNT.--THE TOTAL AGGREGATE AMOUNT OF ALL TAX CREDITS

1 APPROVED SHALL NOT EXCEED \$50,000,000 IN A FISCAL YEAR.

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

5 (C) TAX LIABILITY.--

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

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

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

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

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

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

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

1 [SECTION 1708-G.1. SCHOLARSHIPS.

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

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

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

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

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

1 APPLICATION IS BEING MADE AND WHO RESIDES WITHIN ANY OF THE
2 FOLLOWING:

3 (I) A FIRST CLASS SCHOOL DISTRICT;

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

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

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

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

22 (E) AMOUNT.--

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

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

27 (3) IN NO CASE SHALL THE COMBINED AMOUNT OF THE
28 SCHOLARSHIP AWARDED TO A RECIPIENT AND ANY ADDITIONAL
29 FINANCIAL ASSISTANCE PROVIDED TO THE RECIPIENT EXCEED THE
30 TUITION RATE AND SCHOOL-RELATED FEES FOR THE PARTICIPATING

1 PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL THAT THE
2 RECIPIENT WILL ATTEND.

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

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

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

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

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

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

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

28 (1) A DESCRIPTION OF THE PROGRAM.

29 (2) INSTRUCTIONS FOR APPLYING FOR A SCHOLARSHIP.

30 (3) A LIST OF SCHOOLS IN THE SCHOOL DISTRICT THAT HAVE

1 BEEN DESIGNATED BY THE DEPARTMENT OF EDUCATION AS LOW-
2 ACHIEVING SCHOOLS.

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

7 (D) NOTIFICATION TO PARENTS.--

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

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

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

20 (I) A DESCRIPTION OF THE PROGRAM.

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

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

28 (E) AVERAGE DAILY MEMBERSHIP.--

29 (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW TO THE
30 CONTRARY, A RECIPIENT WHO WAS ENROLLED IN THE RECIPIENT'S

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

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

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

13 (A) ELECTION.--

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

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

20 (B) NOTICE.--

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

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

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

30 (II) THE AMOUNT OF TUITION AND SCHOOL-RELATED FEES

1 ATTRIBUTABLE TO EACH AVAILABLE SEAT. THE AMOUNT UNDER
2 THIS SUBPARAGRAPH SHALL NOT EXCEED THE AMOUNT CALCULATED
3 UNDER SECTION 2561 OF THE PUBLIC SCHOOL CODE OF 1949.

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

8 (C) TUITION RATES.--

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

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

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

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

28 (I) HAS BEEN EXPELLED OR IS IN THE PROCESS OF BEING
29 EXPELLED UNDER SECTION 1317.2 OR 1318 OF THE PUBLIC
30 SCHOOL CODE OF 1949 AND APPLICABLE REGULATIONS OF THE

1 STATE BOARD OF EDUCATION; OR
2 (II) HAS BEEN RECRUITED BY THE SCHOOL DISTRICT OR
3 ITS REPRESENTATIVES FOR ATHLETIC PURPOSES.

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

7 (3) PRIORITY SHALL BE GIVEN TO:

8 (I) AN EXISTING RECIPIENT.

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

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

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

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

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

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

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

30 (2) ENROLLMENT OF A RECIPIENT IN A PARTICIPATING PUBLIC

1 SCHOOL OR PARTICIPATING NONPUBLIC SCHOOL SHALL CONSTITUTE
2 ACCEPTANCE OF ANY RULES, POLICIES AND PROCEDURES OF THE
3 PARTICIPATING PUBLIC SCHOOL OR PARTICIPATING NONPUBLIC
4 SCHOOL.

5 (G) TRANSPORTATION.--

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

8 (2) REIMBURSEMENT SHALL BE AS FOLLOWS:

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

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

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

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

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

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

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

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

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

15 (C) AVERAGE DAILY MEMBERSHIP.--

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

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

24 (D) GUIDELINES.--

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

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

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

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

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

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

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

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; OR

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 1712-G.1. ORIGINAL JURISDICTION.

5 THE PENNSYLVANIA SUPREME COURT SHALL HAVE EXCLUSIVE AND
6 ORIGINAL JURISDICTION TO HEAR ANY 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 IT DEEMS APPROPRIATE, CONSISTENT WITH THE PENNSYLVANIA SUPREME
10 COURT'S RETAINING JURISDICTION OVER SUCH A MATTER, TO FIND FACTS
11 OR TO EXPEDITE A FINAL JUDGMENT IN CONNECTION WITH SUCH A
12 CHALLENGE OR REQUEST FOR DECLARATORY RELIEF.]

13 SECTION 12. THE DEFINITION OF "~~CONTRACTING AUTHORITY~~" <--
14 DEFINITIONS OF "CONTRACTING AUTHORITY" AND "PILOT ZONE" IN <--
15 SECTION 1802-C OF THE ACT, ADDED JULY 9, 2013 (P.L.270, NO.52),
16 ~~IS~~ ARE 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 "PILOT ZONE." AN AREA OF NOT MORE THAN 130 ACRES DESIGNATED <--

1 BY THE CONTRACTING AUTHORITY FOLLOWING APPLICATION AND APPROVAL
2 BY THE DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT, THE
3 OFFICE AND THE DEPARTMENT WHICH WILL PROVIDE ECONOMIC
4 DEVELOPMENT AND JOB CREATION WITHIN A TOWNSHIP OR BOROUGH, WITH
5 A POPULATION OF AT LEAST 7,000 BASED ON THE MOST RECENT FEDERAL
6 DECENNIAL CENSUS.

7 * * *

8 SECTION 12.1. SECTION 1803-C OF THE ACT, ADDED JULY 9, 2013
9 (P.L.270, NO.52), IS AMENDED TO READ:

10 SECTION 1803-C. ESTABLISHMENT OF CONTRACTING AUTHORITY.

11 (A) [CITIES] AUTHORIZATION.--EXCEPT AS SET FORTH IN
12 SUBSECTION (B), A CITY, BOROUGH OR TOWNSHIP MAY ESTABLISH A
13 CONTRACTING AUTHORITY TO DESIGNATE A ZONE UNDER THIS ARTICLE.

14 (B) DISTRESSED CITIES.--A CITY THAT IS A DISTRESSED CITY
15 UNDER THE ACT OF JULY 10, 1987 (P.L.246, NO.47), KNOWN AS THE
16 MUNICIPALITIES FINANCIAL RECOVERY ACT, AND IS LOCATED IN A HOME
17 RULE COUNTY MAY NOT ESTABLISH A CONTRACTING AUTHORITY UNDER THIS
18 ARTICLE.

19 (C) COUNTIES.--THE HOME RULE COUNTY WHERE A DISTRESSED CITY
20 UNDER THE MUNICIPALITIES FINANCIAL RECOVERY ACT IS LOCATED MAY
21 ESTABLISH A CONTRACTING AUTHORITY TO DESIGNATE A ZONE UNDER THIS
22 ARTICLE WITHIN THE DISTRESSED CITY.

23 SECTION 13. THIS ACT SHALL TAKE EFFECT IMMEDIATELY.