

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 1106** HLS 12RS 2078

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 5, 2012	9:42 AM	<b>Author:</b> JACKSON, K
<b>Dept./Agy.:</b> Revenue		<b>Analyst:</b> Greg Albrecht
<b>Subject:</b> Reimburse Contributions to Public Schools		

STATE GRANTS OR DECREASE GF RV See Note  
Authorizes a rebate for donations to certain public schools

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Provides a reimbursement for contributions made to public schools graded "C", "D", or "F". Reimbursements are limited to only portions of the contributions: 75% for contributions to "F" schools, 50% for "D" schools, and 25% for "C" schools. The maximum amount of aggregate reimbursements is \$10 million per calendar year, but this maximum is increased each year by 20% if actual reimbursements reach 90% of the maximum for any year. The Department of Revenue is to issue reimbursements on a first-come, first-served basis. Reimbursements are paid by the Department of Revenue from all tax receipts collected under Title 47 of the Revised Statutes before deposit into the state treasury. Effective on January 1, 2013 for contributions made to public schools for the 2013-2014 school year and thereafter.

<b>EXPENDITURES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>REVENUES</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The Department of Revenue has to provide a standardized format for the receipt issued by a public school to a contributor, which is then presented to the Department when claiming the reimbursement. The Department will also have to track claims and reimbursements up to the annual maximum allowed, and possibly pro rate some reimbursement payments. Associated expenses are likely to be relatively minor and absorbed within the Department's existing resources, unless incrementally funded.

**REVENUE EXPLANATION**

To the extent that individuals or businesses make contributions to eligible public schools and claim reimbursement, payments will be made by the Department of Revenue before deposit of tax collections into the state treasury and charged against gross state tax collections (most likely the personal and corporate income tax). Net collections available for deposit in the state treasury will be reduced.

Program reimbursements are speculative, and depend on the level of possible participation by contributors. However, the program proposed by this bill has an annual aggregate maximum amount of reimbursement starting at \$10 million per calendar year. This maximum annual program reimbursement can increase by 20% for the next year when at least 90% of the maximum reimbursement is reached. Charges against gross state tax collections could be substantial.

The program becomes effective on January 1, 2013 for contributions made to public schools for the 2013-2014 school year and thereafter. The first charges against gross tax collections could affect FY13 if contributions and claims for reimbursement are made within the first six months of calendar year 2013 (the last six months of FY13).

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}	<input type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}		<i>H. Gordon Monk</i>
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}	<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}		<b>H. Gordon Monk</b> <b>Legislative Fiscal Officer</b>