

HB 1718 -- Bryce's Law

Sponsor: Scharnhorst

This bill establishes Bryce's Law which authorizes, beginning January 1, 2012, an income tax credit equal to 80% of the donation to a scholarship-granting organization for special needs students if it is not claimed on the taxpayer's federal income tax return. The credit cannot exceed 50% of the taxpayer's state tax liability for the year it is claimed, cannot exceed \$800,000 per taxpayer per tax year, and can be carried forward for up to four years or sold. The credit can be claimed by an individual, firm, partner in a firm, shareholder in an S corporation, corporation, corporation paying franchise tax, insurance company, financial institution paying taxes to Missouri or any political subdivision, express company, or tax-exempt charitable organization with Missouri unrelated business taxable income. The bill requires the Department of Elementary and Secondary Education to determine which organizations can be classified as scholarship-granting organizations and share the results with interested taxpayers. The department must track all contributions and taxpayer identities and report the information to the Director of the Department of Revenue.

A scholarship-granting organization must provide scholarships to eligible students attending qualified public or nonpublic schools of their parents' choice from at least 90% of its revenue from donations for tuition, fees, and transportation costs; demonstrate its financial accountability and viability; provide a surety bond payable to the state in the amount of its expected annual donations; and prepare an annual report to the department by June 1. An "eligible student" is defined as any elementary or secondary student who attended or will be attending school in Missouri diagnosed with autism spectrum disorder, down syndrome, angelman syndrome, or cerebral palsy. The scholarship is portable and can be distributed in periodic payments as checks made out to the student's parent and mailed to the qualified school where the student is enrolled.

The department must conduct a study to determine the level of participating students' and parents' satisfaction with the program; the change in the percentage of students bullied or harassed, the number of students exhibiting behavioral problems, and class size comparisons between the resident school district and the qualified school; and the fiscal impact of the program. The department must present the report to the General Assembly by December 31, 2015.

The provisions of the bill expire December 31 six years after the effective date.