

## STATEMENT OF PURPOSE

### RS21307C1

This bill provides a credit on state income taxes to individuals and corporations that make donations to scholarship granting organizations (SGOs) that provide scholarships to qualified K-12 students attending approved schools.

### FISCAL NOTE

The bill provides a tax credit to individuals and corporations that make donations to scholarship granting organizations (SGOs). For individuals, the credit is equal to the full amount of the donation. For corporations, the credit is equal to the full amount of the donation up to 50% of the corporate taxpayer's total state tax liability. The total amount of credits is limited to \$10 million in each fiscal year. If the cap is reached, the cap will automatically increase according to the increase in the consumer price index.

There are restrictions on which students qualify for scholarships under the program. Eligibility is limited to students who:

- a) have household incomes less than 250% of the maximum income that can be earned to qualify for the national free and reduced price lunch program (185% of the federal poverty level), and
- b) attended a public school in the preceding semester, are entering kindergarten or first grade, or are starting school in Idaho for the first time, and
- c) reside in Idaho and attend a school located in Idaho while receiving an educational scholarship. There are no limits on the amount of the scholarships received by eligible students.

Projected State savings: \$3,482,570  
Projected local savings: \$2,264,699  
Projected savings overall: \$5,747,269

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