

STATEMENT OF PURPOSE

RS31718 / H0743

The Idaho Parental Choice Tax Credit legislation provides for a refundable tax credit up to \$5,000 for a parent or guardian that incurs qualified education expenses for an eligible student. "Qualified expenses" include kindergarten through twelfth grade tuition and fees related to attending a nonpublic school, tutoring, taking assessments used to determine college admission, costs for textbooks, curriculum, and transportation costs for the purposes of receiving academic instruction. It also means a micro school or learning pod that provides academic instruction from a certified Idaho teacher. The Idaho Parental Choice Grant portion of the legislation also calls for a grant of up to \$5,000 that would allow lower income Idahoans to participate in the refundable tax credit. The grant program would be administered by the Idaho State Tax Commission. Both, the refundable tax credit and grant limits increase up to \$7,500 for special needs students that require ancillary personnel to assist in academic instruction. The Idaho State Tax Commission has the ability to audit records, receipts and documents similar to all tax filings to ensure accountability. The Idaho State Tax Commission may refer suspected cases of fraud to the Attorney General for investigation and prosecution.

FISCAL NOTE

The total fiscal impact to the state General Fund is a maximum of \$60 million for the tax credit. The refundable tax credit portion of the legislation has a cap of \$60 million and the grant portion of the legislation has a \$10 million cap. In FY 2025, this bill transfers \$60 million from the cash balance in the bond levy equalization fund for the grant program, covering the first 6 years of the grant program. The original source for the excess cash balance is unspent General Funds in the Public Schools appropriation, that would flow to the Public Education Stabilization Fund (PESF) or when PESF is full, flow to the Bond Levy Equalization Fund, which was also fully obligated. It is estimated the Idaho State Tax Commission would need to utilize two full-time employees (FTEs) in the administration of these programs. No additional FTEs are being requested because of existing vacancies within the Idaho State Tax Commission.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).