

STATEMENT OF PURPOSE

RS33318 / S1281

This legislation amends Section 63-3029N, Idaho Code, to revise the total annual cap on the Idaho Parental Choice Tax Credit for specific tax years. The bill sets the maximum amount of tax credits authorized for all taxpayers at \$48 million for tax year 2026, \$47.5 million for tax year 2027, and \$50 million for each tax year thereafter.

The purpose of this change is to align the parental choice tax credit program with available state revenues while preserving parental access to educational choice. The bill maintains existing program structure, eligibility requirements, prioritization criteria, and reporting safeguards, while providing budget certainty and fiscal discipline during the 2026–2027 biennium.

An emergency clause is included to ensure timely implementation and alignment with the upcoming tax year.

FISCAL NOTE

FY 2026:

This bill limits the total Idaho Parental Choice Tax Credit to \$48,000,000, which represents a reduction from amounts that would otherwise be authorized under current law. The change results in a General Fund savings equal to the difference between the prior statutory cap and the revised amount.

FY 2027:

The bill limits the total tax credit to \$47,500,000, producing an additional General Fund savings relative to the prior statutory authorization.

FY 2028 and Thereafter:

Beginning in tax year 2028, the annual cap is set at \$50,000,000, which is consistent with long-term program expectations and does not create additional fiscal impact beyond amounts authorized.

There is no fiscal impact to local governments. Administrative costs to the State Tax Commission are expected to be handled within existing appropriations.

Contact:

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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).