

REVENUE: Revenue statement issued

FISCAL: Fiscal statement issued

Action:	Without Recommendation as to Passage, with Amendments, and Be Printed Engrossed and Be Referred to the Committee on Tax Credits by prior reference
Vote:	6 - 2 - 0
Yeas:	Conger, Huffman, Komp, Parrish, Gelser, Wingard
Nays:	Dembrow, Frederick
Exc.:	0
Prepared By:	Victoria Cox, Administrator
Meeting Dates:	3/4, 4/6, 4/13

WHAT THE MEASURE DOES: Creates tax credits for contributions to qualified scholarship granting organizations. Authorizes organizations to grant scholarships for eligible students to attend qualified public or private schools. Sets forth standards for scholarship granting organizations and qualifying schools. Specifies that only scholarships for low income students qualify for tax credits.

ISSUES DISCUSSED:

- School choice
- Florida's Corporate Tax Credit Scholarship Program
- Voucher programs
- Privatization of education
- Transfer of general fund dollars to private schools
- Constitutional issues regarding scholarship use at religious schools

EFFECT OF COMMITTEE AMENDMENT: Specifies that only scholarships for low income students are eligible for tax credits.

BACKGROUND: Several states offer tax credits for contributions to nonprofit organizations that provide scholarships for low income students to attend the school of their choice. In 2001, Florida created the Corporate Tax Credit Scholarship Program to provide corporations that contribute to the program with tax credits of up to 75 percent of their total state income tax liability. Under the Florida program parents who choose to send their children to private schools may receive \$3,950 of the \$7,000 currently allocated for public schools per student.

House Bill 2291-A establishes a similar program in Oregon with tax credits available to both individuals and corporations for up to 50 percent of state tax liability. Scholarships must be granted to students who qualify for free or reduced-price lunch. In addition, the measure specifies qualifications for scholarship granting organizations and limits the amount of the scholarships to 80 percent of the averaged total of all local and state monies spent on a public school student in the state.