

**HB 2140 STAFF MEASURE SUMMARY**

**House Committee On Revenue**

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**Prepared By:** Kyle Easton, Economist

**Meeting Dates:** 4/4

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**WHAT THE MEASURE DOES:**

Extends sunset for tax credit for payments to employee and dependent scholarship programs from January 1, 2020 to January 1, 2026.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Qualified employers providing qualified scholarships via a qualified scholarship program may receive a non-refundable income tax credit. Credit is equal to 50% of the amount of qualified scholarship funds paid to or on behalf of qualified scholarship recipients during the tax year. The credit amount may not exceed \$50,000 per taxpayer per year. Unused credit amounts may be carried forward for five years. Qualified employers are those employing at least four full-time equivalent (FTE) employees but no more than 250 FTE. An employer may receive no more than \$1 million in total lifetime credits. Minimum criteria for an employer scholarship program is stated in rule by the Higher Education Coordinating Commission (HECC) which is required by statute to develop such rules.