

House Amendment 2105

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1 1 Amend Senate File 601, as amended, passed, and
1 2 reprinted by the Senate, as follows:
1 3 #1. Page 52, by inserting after line 33 the
1 4 following:
1 5 <Sec. _____. Section 422.11S, subsection 1, Code
1 6 2007, is amended to read as follows:
1 7 1. The taxes imposed under this division less the
1 8 credits allowed under sections 422.12 and 422.12B
1 9 shall be reduced by a school tuition organization and
1 10 school foundation tax credit equal to sixty-five
1 11 percent of the amount of the voluntary cash
1 12 contributions made by the taxpayer during the tax year
1 13 to a school tuition organization or public school
1 14 foundation, subject to the total dollar value of the
1 15 organization's or foundation's tax credit certificates
1 16 as computed in subsection 7. The tax credit shall be
1 17 claimed by use of a tax credit certificate as provided
1 18 in subsection 6.
1 19 Sec. _____. Section 422.11S, subsection 5, Code
1 20 2007, is amended by adding the following new
1 21 paragraph:
1 22 NEW PARAGRAPH. aa. "Public school foundation"
1 23 means a charitable organization in this state that is
1 24 exempt from federal taxation under section 501(c)(3)
1 25 of the Internal Revenue Code and that does all of the
1 26 following:
1 27 (1) Allocates at least ninety percent of its
1 28 annual revenue in tuition grants for children to allow
1 29 them to attend a qualified school, as defined in
1 30 paragraph "b", subparagraph (2), of their parents'
1 31 choice.
1 32 (2) Only awards tuition grants to children who
1 33 reside in Iowa.
1 34 (3) Provides tuition grants to students without
1 35 limiting availability to only students of one school.
1 36 (4) Only provides tuition grants to eligible
1 37 students.
1 38 (5) Prepares an annual reviewed financial
1 39 statement certified by a public accounting firm.
1 40 Sec. _____. Section 422.11S, subsection 5, paragraph
1 41 b, Code 2007, is amended to read as follows:
1 42 b. "Qualified school" means ~~a~~ either of the
1 43 following:
1 44 (1) A nonpublic elementary or secondary school in
1 45 this state which is accredited under section 256.11
1 46 and adheres to the provisions of the federal Civil
1 47 Rights Act of 1964 and chapter 216.
1 48 (2) A public school where at least forty-eight
1 49 percent of the students qualify for free and reduced
1 50 price meals under the federal National School Lunch
2 1 Act and the federal Child Nutrition Act of 1966, 42
2 2 U.S.C. } 1751==1785.
2 3 Sec. _____. Section 422.11S, subsection 5, paragraph
2 4 c, subparagraph (1), Code 2007, is amended to read as
2 5 follows:
2 6 (1) Allocates at least ninety percent of its
2 7 annual revenue in tuition grants for children to allow
2 8 them to attend a qualified school, as defined in
2 9 paragraph "b", subparagraph (1), of their parents'
2 10 choice.
2 11 Sec. _____. Section 422.11S, subsection 6, Code
2 12 2007, is amended to read as follows:
2 13 6. a. In order for the taxpayer to claim the
2 14 school tuition organization and school foundation tax
2 15 credit under subsection 1, a tax credit certificate
2 16 issued by the school tuition organization or the
2 17 public school foundation to which the contribution was
2 18 made shall be attached to the person's tax return.
2 19 The tax credit certificate shall contain the
2 20 taxpayer's name, address, tax identification number,
2 21 the amount of the contribution, the amount of the
2 22 credit, and other information required by the
2 23 department.
2 24 b. The department shall authorize a school tuition

2 25 organization or the public school foundation to issue
2 26 tax credit certificates for contributions made to the
2 27 school tuition organization or the public school
2 28 foundation. The aggregate amount of tax credit
2 29 certificates that the department shall authorize for a
2 30 school tuition organization or the public school
2 31 foundation for a tax year shall be determined for that
2 32 organization or foundation pursuant to subsection 7.
2 33 However, a school tuition organization shall not be
2 34 authorized to issue tax credit certificates unless the
2 35 organization is controlled by a board of directors
2 36 consisting of seven members. The names and addresses
2 37 of the members shall be provided to the department and
2 38 shall be made available by the department to the
2 39 public, notwithstanding any state confidentiality
2 40 restrictions.

2 41 c. Pursuant to rules of the department, a school
2 42 tuition organization or the public school foundation
2 43 shall initially register with the department. The
2 44 organization's or foundation's registration shall
2 45 include proof of section 501(c)(3) status and provide
2 46 a list of the schools the school tuition organization
2 47 or the public school foundation serves. Once the
2 48 school tuition organization or the public school
2 49 foundation has registered, it is not required to
2 50 subsequently register unless the schools it serves

3 1 changes.
3 2 d. Each school that is served by a school tuition
3 3 organization or public school foundation shall submit
3 4 a participation form annually to the department by
3 5 October 15 providing the following information:

3 6 (1) Certified enrollment as of the third Friday of
3 7 September.

3 8 (2) The school tuition organization or public
3 9 school foundation that represents the school. A
3 10 school shall only be represented by one school tuition
3 11 organization or public school foundation.

3 12 Sec. _____. Section 422.11S, subsection 7, paragraph
3 13 a, subparagraph (1), Code 2007, is amended to read as
3 14 follows:

3 15 (1) "Certified enrollment" means the enrollment at
3 16 schools served by school tuition organizations or
3 17 public school foundations as indicated by
3 18 participation forms provided to the department each
3 19 October.>

3 20 #2. Page 53, by inserting after line 6 the
3 21 following:

3 22 <Sec. _____. Section 422.11S, subsection 7,
3 23 paragraph b, Code 2007, is amended to read as follows:

3 24 b. Each year by November 15, the department shall
3 25 authorize school tuition organizations and public
3 26 school foundations to issue tax credit certificates

3 27 for the following tax year. ~~However, for the tax year~~

~~beginning in the 2006 calendar year only, the~~

~~department, by September 1, 2006, shall authorize~~

~~school tuition organizations to issue tax credit~~

~~certificates for the 2006 calendar tax year. For the~~

~~tax year beginning in the 2006 calendar year only,~~

~~each school served by a school tuition organization~~

~~shall submit a participation form to the department by~~

~~August 1, 2006, providing the certified enrollment as~~

~~of the third Friday of September 2005, along with the~~

~~school tuition organization that represents the~~

~~school. Tax credit certificates available for issue~~

~~by each school tuition organization and public school~~

~~foundation shall be determined in the following~~

~~manner:~~

~~(1) Total the certified enrollment of each~~

~~participating qualified school to arrive at the total~~

~~participating certified enrollment.~~

~~(2) Determine the per student tax credit available~~

~~by dividing the total approved tax credits by the~~

~~total participating certified enrollment.~~

~~(3) Multiply the per student tax credit by the~~

~~total participating certified enrollment of each~~

~~school tuition organization and each public school~~

~~foundation.~~

4 2 Sec. _____. Section 422.11S, subsection 8,

4 3 unnumbered paragraph 1, Code 2007, are amended to read

4 4 as follows:

4 5 A school tuition organization or public school

4 6 foundation that receives a voluntary cash contribution
4 7 pursuant to this section shall report to the
4 8 department, on a form prescribed by the department, by
4 9 January 12 of each tax year all of the following
4 10 information:

4 11 Sec. _____. Section 422.11S, subsection 8,
4 12 paragraphs a and e, Code 2007, are amended to read as
4 13 follows:

4 14 a. The name and address of the members and the
4 15 chairperson of the governing board of the school
4 16 tuition organization or public school foundation.

4 17 e. The name and address of each represented school
4 18 at which tuition grants are currently being utilized,
4 19 detailing the number of tuition grant students and the
4 20 total dollar value of grants being utilized at each
4 21 school served by the school tuition organization or
4 22 public school foundation.>

4 23 #3. By renumbering as necessary.

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