

Senate Study Bill 1188 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON FEENSTRA)

A BILL FOR

1 An Act relating to the school tuition organization tax credit
2 by amending the requirements for a student to receive a
3 tuition grant under the program, and including effective
4 date and retroactive and other applicability provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 422.11S, subsection 6, paragraph a, Code
2 2017, is amended to read as follows:

3 a. "Eligible student" means a student who is a member of a
4 household whose total annual income during the calendar year
5 before the student receives a tuition grant for purposes of
6 this section does not exceed an amount equal to ~~three~~ four
7 times the most recently published federal poverty guidelines in
8 the federal register by the United States department of health
9 and human services.

10 Sec. 2. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
11 immediate importance, takes effect upon enactment.

12 Sec. 3. APPLICABILITY. This Act applies to tuition grants
13 provided on or after the effective date of this Act.

14 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
15 retroactively to January 1, 2017, for tax years beginning on
16 or after that date.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 Current law provides an individual and corporate income tax
21 credit for charitable contributions to certain nonprofit school
22 tuition organizations that provide tuition grants to eligible
23 students for attendance at nonpublic elementary or secondary
24 schools in Iowa. In order to qualify as a school tuition
25 organization eligible for the tax credit an organization
26 must, among other requirements, only provide tuition grants
27 to eligible students. In order to qualify as an "eligible
28 student" under the program, a student's household income must
29 not exceed three times the federal poverty amount. This bill
30 increases that household income limit to four times the federal
31 poverty amount.

32 The bill takes effect upon enactment and applies to
33 tuition grants provided on or after that date, and applies
34 retroactively to January 1, 2017, for tax years beginning on
35 or after that date.