

House File 2755 - Introduced

HOUSE FILE 2755

BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO HF 2308)

A BILL FOR

1 An Act relating to state participation in the federal tax
2 credit program for individual contributions to scholarship
3 granting organizations.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. SCHOLARSHIP GRANTING PROGRAM.

2 1. The governor shall elect to participate in the federal
3 tax credit established by section 25F of the Internal Revenue
4 Code for individuals who make qualified contributions to
5 scholarship granting organizations.

6 2. The department of revenue and the department of education
7 shall follow all federal laws and regulations to administer the
8 federal tax credit established by section 25F of the Internal
9 Revenue Code to ensure the state is eligible to participate
10 in tax years beginning on or after January 1, 2027, and shall
11 annually submit all required information to the secretary of
12 the treasury of the United States for participation.

13 EXPLANATION

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

16 This bill relates to participation in the federal tax credit
17 program for individual contributions to scholarship granting
18 organizations. A scholarship granting organization is a
19 nonprofit entity that provides scholarships to pay qualified
20 elementary or secondary expenses of eligible students attending
21 elementary or secondary school. Eligible expenses include
22 tuition, fees, tutoring, and other educational supports for
23 students attending public or private schools. A scholarship
24 granting organization may provide scholarships to eligible
25 students in an amount not to exceed \$1,700 per year.

26 The bill requires the governor to elect to participate
27 in the federal tax credit established by section 25F of the
28 Internal Revenue Code (IRC). The bill requires the department
29 of revenue and the department of education follow all federal
30 laws and regulations to administer the federal tax credit
31 established by section 25F of the IRC to ensure the state is
32 eligible to participate in tax years beginning on or after
33 January 1, 2027, and shall annually submit all required
34 information to the secretary of the treasury of the United
35 States for participation.