

1 HB384
2 156953-4
3 By Representatives Buttram, Baker, Collins and Hubbard (M)
4 RFD: Ways and Means Education
5 First Read: 30-JAN-14

2
3
4
5
6
7
8 SYNOPSIS: This bill would provide a state income tax
9 credit to individuals and businesses that make
10 contributions to the Department of Postsecondary
11 Education for qualifying educational expenses
12 directly associated with the Career-Technical Dual
13 Enrollment Program as defined by the State Board of
14 Education.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to state income tax; to provide a state
21 income tax credit to individuals and businesses that make
22 contributions for qualifying educational expenses directly
23 associated with the Career-Technical Dual Enrollment Program
24 as defined by the State Board of Education for tax years
25 beginning January 1, 2014, and thereafter; and to specify the
26 obligations of the Department of Postsecondary Education, the

1 Commissioner of Revenue, and the Department of Revenue in
2 implementing the act.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. For the purposes of this act, the
5 following words shall have the following meanings:

6 (1) CAREER-TECHNICAL DUAL ENROLLMENT PROGRAM. A
7 program that allows eligible high school students to enroll in
8 college-level career technical education courses, as designed
9 by the Chancellor of the Department of Postsecondary
10 Education, that are offered at Alabama Community College
11 System institutions and allows such enrolled students to
12 concurrently earn high school and college credit in courses
13 toward a certificate or degree, or both, and which prepares
14 them to enter the workforce in high skill, high wage, or high
15 demand occupations.

16 (2) CONTRIBUTION. A donation of cash.

17 (3) ELIGIBLE STUDENT. A high school student who
18 meets the eligibility requirements and standards as prescribed
19 by State Board of Education policy to enroll for
20 Career-Technical Education Dual Enrollment/Dual Credit
21 courses.

22 (4) QUALIFYING EDUCATIONAL EXPENSES. Tuition, fees,
23 books, materials, and supplies required of or on behalf of a
24 student by the Alabama Community College System institution or
25 institutions for participation in a Career-Technical Dual
26 Enrollment Program.

1 (5) TAXPAYER. An individual taxpayer, a married
2 couple filing a joint tax return, a limited liability company,
3 a corporation, or any other business entity lawfully organized
4 and created under the laws of this state or other state.

5 Section 2. (a) (1) For tax years commencing January
6 1, 2014, and thereafter, a taxpayer who files a state income
7 tax return and is not a dependent of another taxpayer may
8 claim a tax credit for a contribution made to the Department
9 of Postsecondary Education for qualifying educational expenses
10 directly associated with the Career-Technical Dual Enrollment
11 Program as defined by State Board of Education policy.

12 (2) The tax credit may be claimed by the taxpayer in
13 an amount equal to 50 percent of the total contribution or
14 contributions made to the Department of Postsecondary
15 Education during the taxable year for which the credit is
16 claimed, but such credit is not to exceed an amount greater
17 than 50 percent of the taxpayer's total Alabama income tax
18 liability, and in no case more than five hundred thousand
19 dollars (\$500,000) for any given tax year.

20 (3) The cumulative amount of tax credits issued
21 pursuant this act shall not exceed five million dollars
22 (\$5,000,000) annually. The Department of Revenue, in
23 conjunction with the Department of Postsecondary Education,
24 shall develop procedures to ensure that this cap is not
25 exceeded, shall also prescribe the various methods by which
26 these credits are to be issued, and shall develop procedures
27 to notify taxpayers at such points in time when the five

1 million dollar (\$5,000,000) annual limitation has been reached
2 for the tax credit pursuant to this act.

3 (4) A taxpayer may carry forward all or part of a
4 tax credit granted to the taxpayer under this act for a period
5 of up to three years.

6 (b) (1) The Department of Revenue shall adopt rules
7 and procedures consistent with this section as necessary to
8 implement the provisions of this act.

9 (2) The Department of Revenue shall provide a
10 standardized format for a receipt to be issued by the
11 Department of Postsecondary Education to a taxpayer to
12 indicate the value of a contribution received. The Department
13 of Revenue shall require the taxpayer to provide a copy of the
14 receipt when claiming the tax credit pursuant to this act.

15 (c) The tax credit provided in this section may be
16 first claimed for the 2014 tax year and may not be claimed for
17 any tax year prior to the 2014 tax year.

18 Section 3. (a) The Department of Revenue may require
19 a taxpayer to submit copies of receipts or other similar
20 financial documentation with the taxpayer's state income tax
21 return as necessary to confirm eligibility for the tax credit.

22 (b) The Department of Revenue shall promulgate rules
23 and develop any tax forms, directions, and worksheets as
24 necessary to effectuate the intent of this act.

25 Section 4. (a) The Commissioner of Revenue shall
26 annually report the total amount of tax credits claimed and
27 authorized pursuant to this act, on or before the fifteenth

1 day of each regular session, to the Director of Finance, the
2 Chair of the House Ways and Means Education Committee, and the
3 Chair of the Senate Finance and Taxation Education Committee.

4 (b) The Department of Postsecondary Education shall
5 include in its regular quarterly report amounts expended for
6 qualifying education expenses pursuant to this act to the
7 Director of Finance, the Chair of the House Ways and Means
8 Education Committee, and the Chair of the Senate Finance and
9 Taxation Education Committee.

10 Section 5. (a) The Department of Postsecondary
11 Education shall be responsible for administering the
12 Career-Technical Dual Enrollment Program, for promulgating
13 rules necessary for the department to implement the provisions
14 of this act, and for allocating or disbursing the funds made
15 available by this act for qualifying educational expenses.
16 However, the Department of Postsecondary Education may
17 allocate up to two hundred thousand dollars (\$200,000) out of
18 the funds received pursuant to this act for qualifying
19 educational expenses for administrative costs directly
20 associated with implementing the provisions of this act.

21 (b) The Department of Postsecondary Education shall
22 work with business and industry partners, the Alabama
23 Workforce Training Council, the Alabama Community College
24 system, and the Regional Workforce Development Councils to
25 ensure that the funds received pursuant to this act are
26 allocated in a manner consistent with addressing the

1 identified needs in each workforce region regarding the
2 Career-Technical Dual Enrollment Program.

3 (c) Notwithstanding any other provision of this act,
4 a taxpayer that makes a contribution toward qualifying
5 educational expenses for the Career-Technical Dual Enrollment
6 Program may direct that up to 80 percent of the taxpayer's
7 contribution be allocated by the Department of Postsecondary
8 Education to specific career technical programs or courses at
9 a particular Alabama Community College System institution. The
10 remaining or otherwise undirected portion of any such
11 contribution shall be allocated or disbursed by the Department
12 of Postsecondary Education pursuant to the provisions of this
13 act.

14 (d) Any portion of funds from contributions received
15 pursuant to this act during a tax year and remaining
16 unallocated at the end of that tax year may be used by the
17 Department of Postsecondary Education in subsequent tax years
18 for qualifying educational expenses.

19 Section 6. This act shall become effective
20 immediately following its passage and approval by the
21 Governor, or its otherwise becoming law.