



FISCAL NOTE

House Bill 129

Committee: Ways and Means Education

Sponsor: Representative Danny Garrett

Analyst: John Friedenreich

Date: 02/19/2024

House Bill 129 as introduced would, beginning with fiscal year 2026, increase the obligations of the Education Trust Fund by a minimum of \$100 million annually for the purpose of funding the refundable income tax credits authorized pursuant to the provisions of this bill to the parents of eligible students to offset the cost of approved qualifying educational expenses, beginning with the 2025-2026 academic school year.

This bill provides that the amount of the refundable income tax credit for: 1) an eligible student enrolled in a participating school shall be the lesser of \$7,000, or the actual cost of the qualifying educational expenses; and 2) for eligible students not attending a participating school, the amount shall be the lesser of \$2,000, or the actual cost of the qualifying expense, not to exceed \$4,000 in aggregate of all credits awarded to a parent. However, the total amount of the refundable income tax credits awarded would be subject to the availability of monies in the CHOOSE Act Fund established by this bill to receive legislative appropriations.

Finally, this bill would increase the administrative and financial obligations of the Alabama Department of Revenue (ADOR) by an undetermined amount to adopt rules and administer the provisions of this bill.