

# One Hundred Second Legislature - First Session - 2011

## Introducer's Statement of Intent

### LB50

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**Chairperson: Senator Abbie Cornett**

**Committee: Revenue**

**Date of Hearing: February 16, 2011**

*The following constitutes the reasons for this bill and the purposes which are sought to be accomplished thereby:*

Legislative Bill 50 adopts the Elementary and Secondary Educational Opportunity Act, which establishes and makes available to individuals and business entities a limited tax credit for contributions to state-certified, nonprofit scholarship-granting organizations, which would be required to use no less than 95 percent of their revenue for scholarships to help children be able to attend private elementary and secondary schools in Nebraska.

A tax credit could be claimed for 65 percent of qualifying contributions made during the tax year. The credit would be nonrefundable, but any amount credit exceeding the taxpayer's liability could be carried forward up to five years. The bill proposes an aggregate, statewide cap of \$10 million in tax credits for 2011, increasing incrementally.

In addition to being required to distribute almost all of their revenue as scholarships, scholarship granting organizations also would be required to award scholarships in conjunction with at least two different schools. A qualifying school is defined as any nonprofit, private school (K-12) that satisfies the state's requirements for legal operation and does not discriminate on the basis of race, color, or national origin.

Scholarship eligibility would be means-tested. First-time scholarship eligibility would be limited to children entering either kindergarten or ninth grade and to any-grade transfers (K-12) from public schools to qualifying private schools.

**Principal Introducer:** \_\_\_\_\_

**Senator Bob Krist, District 10**