

According to the Department of Revenue, the entire \$47.5 million in credits available to large corporations has been claimed for the current fiscal year, and scholarship organizations were able to award the entire amount of creditable contributions. Approximately 15,000 students are currently receiving scholarships through this program. Nearly all are for private school enrollment; fewer than 1 percent are for transportation outside a student's home district. There are 8 eligible scholarship funding organizations listed on the Department of Education Choice Office's web page.

III. Effect of Proposed Changes:

This bill increases the total amount of corporate income tax credit which may be granted each state fiscal year for contributions to nonprofit scholarship funding organizations from \$50 million to \$75 million. It does not change the 5 percent of the total credits reserved for small businesses. It also adjusts the scholarship amounts awarded per enrollee by the percentage change in the Consumer Price Index, for years after the 2003-04 school year.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. Other Constitutional Issues:

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

This bill increases the corporate income tax credits available for contributions to scholarship funding organizations from \$50 million to \$75 million. The estimated impact is a reduction of \$23.5 million recurring general revenue, and a reduction of \$30.6 million in general revenue in FY 2003-04. The first-year impact is greater than the recurring impact because corporations taking the credits will reduce their estimated payments in the first fiscal year of the increase.

B. Private Sector Impact:

The additional credits available can provide approximately 6,700 additional scholarships to private schools.

C. Government Sector Impact:

This bill can reduce the number of students enrolled in Florida public schools by approximately 6,700.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
