

1 HB384  
2 156953-7  
3 By Representatives Buttram, Baker, Collins and Hubbard (M)  
4 RFD: Ways and Means Education  
5 First Read: 30-JAN-14

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ENROLLED, An Act,

Relating to state income tax; to provide a state income tax credit to individuals and businesses that make contributions for qualifying educational expenses directly associated with the Career-Technical Dual Enrollment Program as defined by the State Board of Education for tax years beginning January 1, 2015, and thereafter; and to specify the obligations of the Department of Postsecondary Education, the Commissioner of Revenue, and the Department of Revenue in implementing the act.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

(2) CONTRIBUTION. A donation of cash.

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

6           (4) QUALIFYING EDUCATIONAL EXPENSES. Tuition, fees,  
7 books, materials, and supplies required of or on behalf of a  
8 student by the Alabama Community College System institution or  
9 institutions for participation in a Career-Technical Dual  
10 Enrollment Program.

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

15           Section 2. (a) (1) For tax years commencing January  
16 1, ~~2014~~ 2015, and thereafter, a taxpayer who files a state  
17 income tax return and is not a dependent of another taxpayer  
18 may claim a tax credit for a contribution made to the  
19 Department of Postsecondary Education for qualifying  
20 educational expenses directly associated with the  
21 Career-Technical Dual Enrollment Program as defined by State  
22 Board of Education policy.

23           (2) The tax credit may be claimed by the taxpayer in  
24 an amount equal to 50 percent of the total contribution or  
25 contributions made to the Department of Postsecondary

1 Education during the taxable year for which the credit is  
2 claimed, but such credit is not to exceed an amount greater  
3 than 50 percent of the taxpayer's total Alabama income tax  
4 liability, and in no case more than five hundred thousand  
5 dollars (\$500,000) for any given tax year.

6 (3) The cumulative amount of tax credits issued  
7 pursuant this act shall not exceed five million dollars  
8 (\$5,000,000) annually. The Department of Revenue, in  
9 conjunction with the Department of Postsecondary Education,  
10 shall develop procedures to ensure that this cap is not  
11 exceeded, shall also prescribe the various methods by which  
12 these credits are to be issued, and shall develop procedures  
13 to notify taxpayers at such points in time when the five  
14 million dollar (\$5,000,000) annual limitation has been reached  
15 for the tax credit pursuant to this act.

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

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

22 (2) The Department of Revenue shall provide a  
23 standardized format for a receipt to be issued by the  
24 Department of Postsecondary Education to a taxpayer to  
25 indicate the value of a contribution received. The Department

1 of Revenue shall require the taxpayer to provide a copy of the  
2 receipt when claiming the tax credit pursuant to this act.

3 (c) The tax credit provided in this section may be  
4 first claimed for the ~~2014~~ 2015 tax year and may not be  
5 claimed for any tax year prior to the ~~2014~~ 2015 tax year.

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

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

13 Section 4. (a) The Commissioner of Revenue shall  
14 annually report the total amount of tax credits claimed and  
15 authorized pursuant to this act, on or before the fifteenth  
16 day of each regular session, to the Director of Finance, the  
17 Chair of the House Ways and Means Education Committee, and the  
18 Chair of the Senate Finance and Taxation Education Committee.

19 (b) The Department of Postsecondary Education shall  
20 include in its regular quarterly report amounts expended for  
21 qualifying ~~education~~ educational expenses pursuant to this act  
22 to the Director of Finance, the Chair of the House Ways and  
23 Means Education Committee, and the Chair of the Senate Finance  
24 and Taxation Education Committee.

1           Section 5. (a) The Department of Postsecondary  
2 Education shall be responsible for administering the  
3 Career-Technical Dual Enrollment Program, for promulgating  
4 rules necessary for the department to implement the provisions  
5 of this act, and for allocating or disbursing the funds made  
6 available by this act for qualifying educational expenses.  
7 However, the Department of Postsecondary Education may  
8 annually allocate up to two hundred thousand dollars  
9 (\$200,000) ~~out~~ of the funds received pursuant to this act for  
10 qualifying educational expenses for administrative costs  
11 directly associated with implementing the provisions of this  
12 act.

13           (b) The Department of Postsecondary Education shall  
14 work with business and industry partners, the Alabama  
15 Workforce Training Council, the Alabama Community College  
16 ~~system~~ System, and the Regional Workforce Development Councils  
17 to ensure that the funds received pursuant to this act are  
18 allocated in a manner consistent with addressing the  
19 identified needs in each workforce region regarding the  
20 Career-Technical Dual Enrollment Program.

21           (c) Notwithstanding any other provision of this act,  
22 a taxpayer that makes a contribution toward qualifying  
23 educational expenses for the Career-Technical Dual Enrollment  
24 Program may direct that up to 80 percent of the taxpayer's  
25 contribution be allocated by the Department of Postsecondary

1 Education to specific career technical programs or courses at  
2 a particular Alabama Community College System institution. The  
3 remaining or otherwise undirected portion of any such  
4 contribution shall be allocated or disbursed by the Department  
5 of Postsecondary Education pursuant to the provisions of this  
6 act.

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

12 Section 6. This act shall become effective  
13 immediately following its passage and approval by the  
14 Governor, or its otherwise becoming law.

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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in  
and was passed by the House 12-FEB-14, as amended.

Jeff Woodard  
Clerk

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Senate

04-MAR-14

Passed