

SENATE BILL No. 94

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-11.

Synopsis: Tax credit for education donations. Provides for an adjusted gross income tax credit for donations to a public school foundation or school corporation. Provides that the maximum individual taxpayer credit is \$1,000 in the case of a single return and \$2,000 in the case of a joint return. Provides that the maximum corporate taxpayer credit is the greater of 10% of the corporation's total adjusted gross income tax liability or \$10,000.

Effective: July 1, 2020.

Alting

January 6, 2020, read first time and referred to Committee on Education and Career Development.



Second Regular Session of the 121st General Assembly (2020)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2019 Regular Session of the General Assembly.

SENATE BILL No. 94

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2020]: **Sec. 11. (a) As used in this section, "public school
4 foundation" means a nonprofit organization that is:**
5 (1) **exempt from federal income taxation under Section**
6 **501(c)(3) of the Internal Revenue Code; and**
7 **(2) organized and operated solely for the benefit of an Indiana**
8 **public school or school corporation, including a charter school**
9 **(as defined in IC 20-24-1-4), that offers any combination of**
10 **grades from kindergarten through grade 12.**
11 **The term includes a public school foundation established under**
12 **IC 20-26-5-22.5.**
13 **(b) As used in this section, "school corporation" has the**
14 **meaning set forth in IC 20-18-2-16(a).**
15 **(c) At the election of the taxpayer, a credit is allowed against the**
16 **adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7**
17 **for the taxable year. Subject to the limitations provided by this**



1 section, the amount of the credit allowed is equal to fifty percent
 2 (50%) of the total amount of charitable contributions made by the
 3 taxpayer during a taxable year to a:

4 (1) public school foundation for use by the public school
 5 foundation; or

6 (2) school corporation for use by the school corporation;
 7 for only the purposes permitted for a school corporation's
 8 education fund or operations fund.

9 (d) A public school foundation or school corporation shall
 10 provide a receipt to a taxpayer for a contribution made to the
 11 public school foundation or school corporation that includes a
 12 certification that the public school foundation or school
 13 corporation will:

14 (1) use the donations for only the purposes permitted for a
 15 school corporation's education fund or operations fund; and

16 (2) not use more than ten percent (10%) of the total amount
 17 of contributions for administrative costs.

18 The department shall prescribe a standardized form for the receipt
 19 issued under this subsection.

20 (e) A public school foundation or school corporation receiving
 21 a contribution that will be used as the basis for a tax credit under
 22 this chapter must provide to the department by August 1 of each
 23 year the following information regarding the public school
 24 foundation's or school corporation's use of the contributions the
 25 public school foundation or school corporation receives under this
 26 chapter:

27 (1) The name of the public school foundation or school
 28 corporation.

29 (2) The total number and total dollar amount of contributions
 30 received during the previous school year.

31 (3) A certification that the public school foundation or school
 32 corporation:

33 (A) used the donations for only the purposes permitted for
 34 a school corporation's education fund or operations fund;
 35 and

36 (B) did not use more than ten percent (10%) of the total
 37 amount of contributions for administrative costs.

38 (f) In the case of a taxpayer other than a corporation, the
 39 amount allowable as a credit under this section for any taxable
 40 year may not exceed:

41 (1) one thousand dollars (\$1,000) in the case of a single return;
 42 or



- 1 **(2) two thousand dollars (\$2,000) in the case of a joint return.**
2 **(g) In the case of a taxpayer that is a corporation, the amount**
3 **allowable as a credit under this section for any taxable year may**
4 **not exceed the greater of the following amounts:**
5 **(1) Ten percent (10%) of the corporation's total adjusted**
6 **gross income tax under IC 6-3-1 through IC 6-3-7 for the**
7 **taxable year (as determined after applying all other credits**
8 **against that tax).**
9 **(2) Ten thousand dollars (\$10,000).**
10 **(h) The credit allowed by this section may not exceed the**
11 **amount of the adjusted gross income tax imposed by IC 6-3-1**
12 **through IC 6-3-7 for the taxable year, reduced by the sum of all**
13 **credits (as determined without regard to this section) allowed by**
14 **IC 6-3-1 through IC 6-3-7.**
15 **(i) The total amount of tax credits awarded under this section**
16 **may not exceed eight million five hundred thousand dollars**
17 **(\$8,500,000) in a state fiscal year.**
18 **SECTION 2. [EFFECTIVE JULY 1, 2020] (a) IC 6-3-3-11, as**
19 **added by this act, applies to taxable years beginning after**
20 **December 31, 2020.**
21 **(b) This SECTION expires June 30, 2022.**

