

ACT #2014-147

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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2 ENROLLED, An Act,

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

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

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

25 (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

Kay Ivey

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

Senate

04-MAR-14

Passed

APPROVED March 11, 2014

TIME 7:30 a.m.

Robert Bentley
GOVERNOR

Alabama Secretary Of State

Act Num....: 2014-147
Bill Num....: H-384

Recv'd 03/11/14 08:28amSLF

OR

W. Hall

ONSORS

W. Woodard

bbazrd, yk

HOUSE ACTION

I HEREBY CERTIFY THAT THE RESOLUTION AS REQUIRED IN SECTION C OF ACT NO. 81-889 WAS ADOPTED AND IS ATTACHED TO THE BILL, H.B. 384

YEAS 11 NAYS 0

JEFF WOODARD, Clerk

I HEREBY CERTIFY THAT THE NOTICE & PROOF IS ATTACHED TO THE BILL, H.B. 384 AS REQUIRED IN THE GENERAL ACTS OF ALABAMA, 1975 ACT NO. 919.

JEFF WOODARD, Clerk

CONFERENCE COMMITTEE

House Conferees

SENATE ACTION

DATE: 2-20

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RD 1 RFD

This Bill was referred to the Standing Committee of the Senate on Subcommittee and was acted upon by such Committee in session and is by order of the Committee returned therefrom with a favorable report w/amend(s) 0 w/sub 0 by a vote of

yeas 11 nays 0 abstain 0

this 14th day of February 20 14

W. Woodard Chairperson

DATE: 2-20

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RF AV

RD 2 CAL

DATE: _____

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RE-REFERRED RE-COMMITTED

Committee _____

I hereby certify that the Resolution as required in Section C of Act No. 81-889 was adopted and is attached to the Bill.

HB 384

YEAS 20 NAYS 0

PATRICK HARRIS,

Secretary