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SCHOOL CHOICE OHIO SUPPORTS TAX CREDIT PROGRAM FOR EDUCATION SCHOLARSHIPS

New Legislation Introduced by State Rep. Kris Jordan Benefits Struggling Families, Students Across State

COLUMBUS, Ohio (December 15, 2010) – A bill, HB 610, introduced today in the Ohio House by Rep. Kris Jordan, R-Powell, to create a tax credit program for education scholarships in Ohio would greatly assist needy students across the state while also making it easier for businesses, community organizations, and individual taxpayers to support education in their community, said Chad Aldis, executive director of School Choice Ohio.

“It is no secret that right now many of Ohio’s families are struggling economically. This tax credit scholarship is a creative way to ensure students are not bearing the brunt of this struggle,” said Aldis. “By incentivizing philanthropic giving in a difficult economy, the tax credit scholarship would provide thousands of students across the state with the opportunity to attend the nonpublic school of their choice.”

The bill, if approved by the General Assembly, would allow the donation of funds toward education scholarships. Students in both public and nonpublic schools would be eligible to apply for the scholarships which could be used at chartered nonpublic schools. To be eligible, students would need to have an annual family income at or below 300 percent of Free and Reduced Lunch Program eligibility.

Similar tax credit programs already exist in Arizona, Florida, Georgia, Indiana, Iowa, Pennsylvania and Rhode Island, where bills passed with largely bipartisan support. In Florida, an extensive analysis by the Legislature’s Office of Program Policy Analysis and Government Accountability found the scholarship resulted in a savings to the state of \$36.2 million during the 2008-2009 school year.

As proposed, Rep. Jordan’s bill calls for scholarship amounts of up to \$4,250 for students in grades K-8 and \$7,000 for students in grades 9-12. For their part, donors will receive a dollar-for-dollar credit on state taxes for up to \$1,000 for individuals, \$2,500 for married taxpayers, and \$300,000 for corporate donors. In addition to individuals, eligible donors include dealers in intangibles and insurance companies, financial institutions, public utilities, electric and natural gas distribution companies, and pass-through entity owners.

The bill will award up to \$20 million in tax credits for taxpayers donating to Education Scholarship Organizations (ESOs). ESOs will be responsible for awarding scholarships to

eligible students. The legislation requires all ESOs to be 501(c) 3 nonprofit organizations and to adhere to strict financial and scholarship reporting requirements.

“This bill is not only favorable for donors and the state, it also helps low-income students with minimal government involvement or administration burden,” said Aldis. “We at School Choice Ohio look forward to adding this tax credit program to the education options available to Ohio’s underserved students, as we work toward the goal of providing every child in Ohio access to a quality education.”

About School Choice Ohio

School Choice Ohio (SCO) is committed to the goal of every child in Ohio having access to a quality education. Because this is not yet a reality, the organization works tirelessly to educate both the public and our leaders on the importance of empowering parents to find the best educational setting for the needs of their children. SCO believes that all parents should have the opportunity to choose which school is best for their children, regardless of their income level.

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