15.0308.03000

# FISCAL NOTE
**Requested by Legislative Council**
**01/16/2015**

Amendment to: HB 1355

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2013-2015 Biennium | | 2015-2017 Biennium | | 2017-2019 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2013-2015 Biennium | 2015-2017 Biennium | 2017-2019 Biennium |
|---|---|---|---|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

HB 1355 will create a new income tax credit for corporations that contribute to a scholarship fund administered by a 501(c)(3) tax-exempt nonprofit organization. The purpose of the fund is to provide scholarships to private school students whose household income meets certain thresholds.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

HB 1355 will create a new income tax credit for corporations that make a contribution to a scholarship fund called the "Parents Choice Tax Credit Scholarship Fund," the purpose of which is to provide scholarships to private school students whose household income is no more than 185% of the income standards to qualify for free or reduced cost lunches. The fund must be set and administered by a 501(c)(3) tax-exempt nonprofit organization. The credit is equal to the amount of the contribution or 50% of the corporation's income tax liability before credits, whichever is smaller. The total amount of credits allowed each year is limited to $10 million.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

If enacted, HB 1355 may reduce the state general fund revenues for the 2015-17 biennium. The amount of the reduction, if any, cannot be determined because the number of funds that may be established and the potential amount of contributions that may be made are unknown. The annual cap on the total credits allowed limits any reduction in state general fund revenues to -$20 million for the 2015-17 biennium.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Kathryn L. Strombeck

**Agency:** Office of Tax Commissioner

**Telephone:** 328-3402

**Date Prepared:** 01/24/2015

15.0308.02000

# FISCAL NOTE
**Requested by Legislative Council**
**01/16/2015**

Bill/Resolution No.: HB 1355

1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

| | 2013-2015 Biennium | | 2015-2017 Biennium | | 2017-2019 Biennium | |
|---|---|---|---|---|---|---|
| | General Fund | Other Funds | General Fund | Other Funds | General Fund | Other Funds |
| Revenues | | | | | | |
| Expenditures | | | | | | |
| Appropriations | | | | | | |

1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

| | 2013-2015 Biennium | 2015-2017 Biennium | 2017-2019 Biennium |
|---|---|---|---|
| Counties | | | |
| Cities | | | |
| School Districts | | | |
| Townships | | | |

2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

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B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

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A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

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B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

**Name:** Kathryn L. Strombeck

**Agency:** Office of Tax Commissioner

**Telephone:** 328-3402

**Date Prepared:** 01/24/2015

**2015 HOUSE FINANCE AND TAXATION**

**HB 1355**

# 2015 HOUSE STANDING COMMITTEE MINUTES

**Finance and Taxation Committee**
Fort Totten Room, State Capitol

HB 1355
1/26/2015
22496

☐ Subcommittee
☐ Conference Committee

| Committee Clerk Signature Mary Brucker |
|---|

**Explanation or reason for introduction of bill/resolution:**

A Bill relating to a corporate income tax credit for charitable gifts to a scholarship endowment fund for nonpublic school students.

**Minutes:** Attachment #1, 2

**Chairman Headland:** Opened hearing.

**Representative Dosch**: Introduced bill. Provided testimony. See attachment #1. (Ended testimony at 5:10)

**Chairman Headland**: Our current endowment tax credit on the books today; is that available to the private schools in North Dakota?

**Representative Dosch**: Yes, it is available. These particular funds would go into the needs based scholarship and they could only be issued out to those at 185% of the free and reduced lunch figure which was my understanding around $45,000. This is truly targeting those in most need in our communities.

**Chairman Headland**: I understand where it is targeted. Is there any language in the current endowment structure that would preclude those dollars from doing the same thing?

**Representative Dosch**: I'm not aware in the statute where that particular issue is addressed.

**Chairman Headland**: Is there any testimony in support of HB 1355?

**Senator Nicole Poolman**: I think this is a great way to encourage private investment and private education. This is a great way for us to ensure that all families truly enjoy school choice. There are plenty of us who have the opportunity to choose where we send out students; public school or private school. That option is not open to all families. A bill like this that gives scholarships to most in need really does open up school choice for all families in North Dakota and not for just those that can afford it.

**Representative Schneider**: In your studies of the other systems in other states, were contributions allowed to private schools as well as public schools for some of the expenses that they can't cover now?

**Senator Poolman**: It was related to foundations. Whether a private school had a foundation that provided scholarships or public school foundations that program allows for those types of foundations as well. In addition to that I noticed that some schools started as a result of this; they created a foundation first then built a school once the foundation had raised enough money.

**Representative Schneider**: This bill would not provide that kind of diversity.

**Senator Poolman**: It does not. This bill is much smaller. Its saying we want kids no matter where they come from to have school choice in the state of North Dakota no matter how much money their family makes. We want them to choose what is best for them.

**Representative Froseth**: Do you know if these foundations would donate all of these proceeds or do they take a percentage for their expenses to operate the foundation?

**Senator Poolman**: In terms of just private school foundations I certainly can't speak to but I know that the public school foundations are just part of our public school administration so they aren't taking more money off the top.

**Chairman Headland**: Further testimony in support?

**Morgan Forness, State Association of Nonpublic Schools**: Provided testimony in support. See attachment #2.

**Chairman Headland**: Does Shiloh Christian currently have an endowment?

**Morgan Forness**: Yes. It was started a few years ago with a few thousand dollars. We worked very hard over the last five years and our endowment is now approximately $1 million.

**Chairman Headland**: I understand what you're trying to do but couldn't you use part of those funds from your current endowment?

**Morgan Forness**: Absolutely but almost every donation that goes into a foundation is given with a certain criteria attached to it. For example, there are donations given to the Shiloh foundation to support the music program and donations given for the Native American community which is a ministry based foundation. We already provide dollars to Native Americans of low income standing. About 12% of our student population in Native American. The number of specific gifts varies as to what the donor chooses those dollars to be used for.

**Chairman Headland**: I think I just heard you say that if you crafted a section of the current endowment and target it towards this you may have a structure that would already work on its behalf.

**Morgan Forness**: I believe those schools that have endowments could craft something like that based on the donor's passion. Many other states have done this state-wide as a means of educating students in the state that are in that low income bracket.

**Chairman Headland**: Committee, I think we'll find out if current statute on contributions to endowments could work to include this. We may be asking for another tax credit that could be utilized in another area. It's a lot easier to utilize something already on the books than try to add something to the books.

**Morgan Forness**: I don't pretend to be an expert in foundations or how the tax code reads in that regard but I would say of the 45 nonpublic schools only a handful probably have endowments at the present time. Some of those are probably put in place specifically for teachers' salaries for example.

**Representative Haak**: Does the Shiloh foundation give out scholarships for needs based students and if so, how many?

**Morgan Forness**: At this time there are only two donations that were given to the foundation that would benefit students in that category; the Native American scholarship for needs based Native American families and for international students who come from war torn countries or are here for political asylum and things like that. There is a small amount given that is used as a tool or resource for us when we distribute our financial aid.

**Chairman Headland**: Further testimony in support?

**Rod Backman, self**: On the question about the endowments; certainly the endowments could be structured and geared toward the most needy students. With endowments funds you're limited on how much you can take out; you can't spend the principle. In the case of Shiloh, if that million dollars were in an endowment and for needy students you would be limited to about $60,000 a year that could be spent. The big difference between this credit and the endowment credit is the percentage that the entity gets. The endowment credit is 40% and this is drafted as 100% so this would generate a lot more incentive or the ability to generate more dollars with a larger percentage credit. Not only do parents incur a lot of sacrifice to send their kids to a nonpublic school but the teachers do as well. Teachers in nonpublic schools don't get paid as well as public school teachers. I won't even begin to talk about the difference in benefits. Say a new business came in to North Dakota and said they would bring in 650 new jobs with an annual payroll of $23 million. They would all be taxpayers in the state and would help pay for education. In helping to pay for education this could save the state $75 million a year. How much in incentives and tax breaks do you think the state would be trying to give that kind of an entity? I'm talking about the nonpublic school system. They are saving us a lot of money. It's time for the state to step up and help them out.

**Representative Trottier**: What should we say to a company that is already here; should we then give them a tax break?

**Rod Backman**: My point is that this entity is already here.

**Christopher Dodson, Director of North Dakota Catholic Conference**: I'm in support of this legislation. It is true that this is being done in other states. There are all types of ways that states have tried to respect the ability of parents to choose the best educational means for their children with tax credits, transportation and other things you can do in other states because their constitutions are different. I've been told by many that the business communities like this in other states. All tax policies should begin with how it affects the least among us; those that have the least resources and income. This bill along with the companion bill could make a difference for those in need so they can choose what is best for their children.

**Chairman Headland**: Businesses can already take advantage of contributing to an endowment. Does it have to be a dollar for dollar credit?

**Christopher Dodson**: I haven't specifically heard that. I've heard that when they see there's an advantage in the tax code for targeting lower income or special needs children that gets their attention.

**Chairman Headland**: Further testimony in support? Is there any opposition? Tax department?

**Matt Peyerl, Office of Tax Commissioner**: I spoke to the sponsor about some language on this one that most tax credits, contribution tax credits, have language that prevents double dipping. You can't contribute to this fund and get an endowment credit and this credit. We would like to see that standard language added in there. If the cap is met, how do you want it administered and who gets it then? We'll be working with the sponsor on those items.

**Representative Froseth**: We've been getting a lot of bills that ask for tax credits with all different kinds of scenarios to administer them. If they were all passed could your department handle these without more staff?

**Matt Peyerl**: We do the best we can with administering with the staff we have. The volume of tax filings and credits put strain on it but we prioritize the resources and administer what we're given to administer; that's our role.

**Representative Schneider**: Can you give us any more guidance than the paragraph in 3a about how much revenue might be lost to other purposes from changing this system to allow for corporations to donate? We have no idea of the impact this is going to have on the general fund.

**Matt Peyerl**: I haven't seen the fiscal note. I assume it says you cannot determine. That's as good of an answer as I can provide. There's really no way to gauge how many corporations would take advantage of this and what the level of contributions would be.

**Chairman Headland**: I'm assuming it's a dollar for dollar credit so most likely the $20 million would be reached. If there are no other questions we will close the hearing on HB 1355.

# 2015 HOUSE STANDING COMMITTEE MINUTES

**Finance and Taxation Committee**
Fort Totten Room, State Capitol

HB 1355
2/9/2015
23498

☐ Subcommittee
☐ Conference Committee

| Committee Clerk Signature | Mary Brucker |
|---|---|

**Explanation or reason for introduction of bill/resolution:**

A bill relating to a corporate income tax credit for charitable gifts to a scholarship endowment fund for nonpublic school students.

**Minutes:** Attachment #1

**Chairman Headland**: Distributed amendments from tax department dated February 3, 2015. See attachment #1.

**Vice Chairman Owens**: This amendment basically just changes the name from scholarship to endowment. It also changes from taxable to calendar year. They add what to do if it exceeds $10 million then it's basically first come first serve. It's still a dollar for dollar credit off of income tax limited to 50% of the taxpayers' liability. There is a reporting requirement added for the scholarship endowment. It creates a scholarship endowment limited to select individuals for nonpublic education. This is limited to nonpublic schools so it would not apply to home school.

**Representative Steiner: MADE A MOTION TO ADOPT THE AMENDMENT OF FEBRUARY 3, 2015.**

**Representative Kading: SECONDED.**

**VOICE VOTE: MOTION CARRIED TO ADOPT THE AMENDMENT.**

**Vice Chairman Owens**: This deals with a specific corporate contribution. We have another bill that does the same thing. We just need to decide which one we want. Maybe we should do both bills at the same time.

**Chairman Headland**: We can certainly run them out at the same time but if we favor the existing tax credit this is creating a new endowment fund for a specific purpose so I'm going to resist this bill.

**Representative Toman: MADE A MOTION FOR A DO NOT PASS AS AMENDED.**

**Representative Haak: SECONDED.**

**Representative Steiner**: I think it's about time we recognize the nonpublic education system keeps our taxes lower because they educate at a lower cost. I like the fact that this bill offers more to the people with low income. We give public dollars to private companies all the time and tax incentives. I really don't understand the resistance.

**Vice Chairman Owens**: I don't disagree with you. We had an opportunity to correct what was in code and make it more pliable. This would limit the use of the funds but the other one would allow them to use it for both this and other scholarships. Even if people did this then because of how it's written they are limited in how they can use the funds. The other one they have a bigger breath of application for students all across which goes directly to your argument.

**Representative Steiner**: I'm going to support this bill because it concerns me that we won't pass this one and we won't pass the other one either.

**Chairman Headland**: Private education is a choice. The state is obligated to provide an education for every student. Maybe it's time we look at a program that looks at vouchers and that way it would provide an opportunity to every student. I'm going to vote for the do not pass on this bill and probably support the other bill.

**ROLL CALL VOTE: 11 YES 3 NO 0 ABSENT**
**MOTION CARRIES FOR DO NOT PASS AS AMENDED.**

**Representative Strinden will carry this bill.**

15.0308.02001
Title.03000

Adopted by the Finance and Taxation Committee

February 9, 2015

SH 2/9/15

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1355

Page 1, line 5, replace "57-38.1-01.36" with "57-38-01.36"

Page 1, line 8, after "**scholarship**" insert "**endowment**"

Page 1, line 9, after "scholarship" insert "endowment"

Page 1, line 23, replace "taxable" with "calendar"

Page 1, line 23, after the underscored period insert: "If charitable gifts reported to the commissioner under this section exceed the limits on tax credits for investments imposed by this section, the credit must be allowed to taxpayers in the chronological order of their charitable gifts made as determined from the forms filed under this section.

5. A charitable gift used as the basis for a credit claimed under this section may not be used as the basis for the claim of a credit under any other provision of this chapter.

6. Within thirty days after the date on which a charitable gift is made under this section, the scholarship endowment fund shall file with the tax commissioner completed forms, prescribed by the tax commissioner, which show the following:

   a. The name, address, and federal identification number of the corporation that made the charitable gift;

   b. The name and address of the parents choice tax credit scholarship fund that received the charitable gift;

   c. The dollar amount of the charitable gift; and

   d. The date of the charitable gift."

Renumber accordingly

Date: 2-9-15
Roll Call Vote #: 1

**2015 HOUSE STANDING COMMITTEE**
**ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 1355

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: Feb. 3, 2015 amendments

Recommendation: ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐ _____

Motion Made By Rep. Steiner Seconded By Rep. Kading

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| CHAIRMAN HEADLAND | | | REP HAAK | | |
| VICE CHAIRMAN OWENS | | | REP STRINDEN | | |
| REP DOCKTER | | | REP MITSKOG | | |
| REP TOMAN | | | REP SCHNEIDER | | |
| REP FROSETH | | | | | |
| REP STEINER | | | | | |
| REP HATLESTAD | | | | | |
| REP KLEIN | | | | | |
| REP KADING | | | | | |
| REP TROTTIER | | | | | |
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Total (Yes) _____ No _____

Absent _____

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

Voice vote = Motion carries.

Date: 2-9-15
Roll Call Vote #: 2

**2015 HOUSE STANDING COMMITTEE**
**ROLL CALL VOTES**
**BILL/RESOLUTION NO.** 1355

House Finance and Taxation Committee

☐ Subcommittee

Amendment LC# or Description: Feb. 3, 2015 amendments

Recommendation:
☐ Adopt Amendment
☐ Do Pass ☒ Do Not Pass ☐ Without Committee Recommendation
☒ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar

Other Actions: ☐ Reconsider ☐

Motion Made By Rep. Toman Seconded By Rep. Haak

| Representatives | Yes | No | Representatives | Yes | No |
|---|---|---|---|---|---|
| CHAIRMAN HEADLAND | ✓ | | REP HAAK | ✓ | |
| VICE CHAIRMAN OWENS | ✓ | | REP STRINDEN | ✓ | |
| REP DOCKTER | ✓ | | REP MITSKOG | | ✓ |
| REP TOMAN | ✓ | | REP SCHNEIDER | ✓ | |
| REP FROSETH | ✓ | | | | |
| REP STEINER | | ✓ | | | |
| REP HATLESTAD | ✓ | | | | |
| REP KLEIN | | ✓ | | | |
| REP KADING | ✓ | | | | |
| REP TROTTIER | ✓ | | | | |
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Total (Yes) 11 No 3

Absent 0

Floor Assignment Rep. Strinden

If the vote is on an amendment, briefly indicate intent:

## REPORT OF STANDING COMMITTEE

**HB 1355: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). HB 1355 was placed on the Sixth order on the calendar.

Page 1, line 5, replace "57-38.1-01.36" with "57-38-01.36"

Page 1, line 8, after "**scholarship**" insert "**endowment**"

Page 1, line 9, after "scholarship" insert "endowment"

Page 1, line 23, replace "taxable" with "calendar"

Page 1, line 23, after the underscored period insert: "If charitable gifts reported to the commissioner under this section exceed the limits on tax credits for investments imposed by this section, the credit must be allowed to taxpayers in the chronological order of their charitable gifts made as determined from the forms filed under this section.

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   b. The name and address of the parents choice tax credit scholarship fund that received the charitable gift;

   c. The dollar amount of the charitable gift; and

   d. The date of the charitable gift."

Renumber accordingly

**2015 TESTIMONY**

**HB 1355**

HB 1355
1-26-15
#1 p.1

# HB 1355

**Finance & Tax Committee Craig Headland, Chairman January 26, 2015**

Mr. Chairman, members of the Finance and Taxation committee, for the Record my name is Representative Mark Dosch, District 32 Bismarck.

Allow me to begin by giving you an overview on **HB 1355 - Corporate income tax credit for donations to Parents Choice Tax Credit Scholarship Fund.**

1. **Allows for a tax credit to companies that make a donation to an endowment fund that must be administered by a nonprofit organization under section 501 C (3) of the IRS code.**
2. **Scholarships granted out of this fund is means tested. Precipitants must have household income that does not exceed 185% of the free or reduced lunch program.**
3. **Tax Credit can't be in excess of fifty percent of the taxpayer's tax liability.**
4. **Total tax credits allowed under this section may not exceed ten million dollars.**

Mr. Chairman and members, this is the companion bill to HB 1254 that you have just heard. That bill allowed for individual tax credits, where this bill will allow for corporate donations.

Individual tax credits as provided for in HB 1254 are critical in helping parents offset the high cost of non-public education. But for those in low to middle income families, that in it would not be enough for some of the truly needy. That is why this bill is also so critical. It would provide for scholarships to those most in need.

The State have been very fortunate, and wise I might add when they started the Common Schools Trust Fund to help assure the long term funding of education in our state. The State has been blessed, with the oil boom activity, which has resulted in dollars pouring into this fund. Just 10 years ago the fund had about 600 Million dollars. Today it stands at approx... 3.2 Billion dollars. How wonderful for the future of Education in this State.

Unfortunately, this blessing is not enjoyed by all. Today, non-public education continues to struggle to make ends meet. Although some have endowment funds with very modest balances, they can in no way provide what is needed to help assure future scholarship funding. Rising costs associated with the States economic boom has dramatically raised the cost of doing business; including our non-public schools. Although they continue to save the state 100's of million dollars, as well as saving local property owners thousands of dollars on their property taxes each year, by providing their schools and educating their students "at no cost" to their local communities, the "thank you" back from the State has been nonexistent.

What this bill will do is to provide much needed help to jump start these entities endowment funds. It allows money to help with educational needs in our communities and provide scholarship funds to the most needy of our communities.

I believe passage of this bill, together with HB 1254 will provide parents with the "Choice", regardless of their economic standings. Every parent wants to do what is best for their child. Please, don't make them choose between making their rent payment, or their child's tuition.

Mr. Chairman and members, please remember the State of ND will save far more than the credits will allow for.

If we truly believe that education should be about the kids, and for the very same reasons I outlined in HB 1254. This is truly one of those pieces of legislation that everyone will benefit from. A little "Thank You" if you will, back from the State I know would be greatly appreciated by all.

This concludes my testimony; I will gladly answer any questions you may have.

HB 1355
1-26-15
#2 p. 1

House Finance and Taxation Committee - January 26, 2015
**HB 1355**
Testimony by Morgan Forness, SANS

Chairman Headland and members of the committee, my name is Morgan Forness. I am here today representing The State Association of Nonpublic Schools to speak in support of **HB 1355**.

The bill will establish endowment scholarship funds to support students with great financial need who attend private K–12 schools in North Dakota. Funding will come from a tax credit to the corporations who step up to support the scholarships.

Students whose family income is at or below **185%** of the federal limits for free or reduced schools lunches will qualify for the scholarships from the endowment funds. This will be a much needed resource for the many families who struggle to meet their budgets. We believe approximately **25%** of our families are in this income category.

The federal income limit for a family of 4 to meet the school lunch criteria is approximately **$45,000,** so families with income up to **$81,600** will qualify for these scholarships. Most likely, at least initially, there will not be enough funds to cover students who qualify, so we must fund families with the greatest need first.

As I stated in prior testimony, nonpublic and public schools are equally committed to quality academics and high standards, which is good for North Dakota. **HB 1355** recognizes a desire for the state to commit to providing support for all schools. This legislation would give a reasonable tax credit to corporations that gift foundations, creating access to "needs based scholarships" that help relieve the expenses of low income parents who desire to educate their children in nonpublic schools.

Private schools provide tremendous resources and rich learning environments to many communities, ultimately saving the taxpayer additional burden. Please support **HB 1355**. I would be happy to answer any questions you may have.

Morgan Forness

HB 1355
2-9-15
#1

Prepared for the
House Finance and
Taxation Committee
February 3, 2015

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1355

Page 1, line 5, replace "57-38.1-01.36" with "57-38-01.36"

Page 1, line 8, after "scholarship" insert "endowment"

Page 1, line 9, after "scholarship" insert "endowment"

Page 1, line 23, replace "taxable" with "calendar"

Page 1, line 23, after "year" insert "If charitable gifts reported to the commissioner under this section exceed the limits on tax credits for investments imposed by this section, the credit must be allowed to taxpayers in the chronological order of their charitable gifts made as determined from the forms filed under this section."

Page 1, after line 23, insert:

"5. A charitable gift used as the basis for a credit claimed under this section may not be used as the basis for the claim of a credit under any other provision of this chapter.

6. Within thirty days after the date on which a charitable gift is made under this section, the scholarship endowment fund shall file with the tax commissioner completed forms, prescribed by the tax commissioner, which show the following:
   a. The name, address, and federal identification number of the corporation that made the charitable gift.
   b. The name and address of the parents choice tax credit scholarship fund that received the charitable gift.
   c. The dollar amount of the charitable gift.
   d. The date of the charitable gift."

Renumber accordingly