

1 HB550  
2 157825-1  
3 By Representative Hubbard (J)  
4 RFD: Ways and Means Education  
5 First Read: 26-FEB-14

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8 SYNOPSIS: This bill would provide a state income tax  
9 credit to individuals and businesses that make  
10 contributions to certain community college  
11 foundations for qualifying educational expenses  
12 directly associated with a career-technical dual  
13 enrollment program.

14 This bill would authorize local boards of  
15 education to establish career academies for  
16 students in grades 10 and 11 to participate in  
17 career-technical dual enrollment programs.

18  
19 A BILL  
20 TO BE ENTITLED  
21 AN ACT

22  
23 Relating to state income tax; to provide a state  
24 income tax credit to individuals and businesses that make  
25 contributions to certain community college foundations for  
26 qualifying educational expenses directly associated with a  
27 career-technical dual enrollment program for tax years

1 beginning January 1, 2014, and thereafter; to specify the  
2 obligations of the Commissioner of Revenue and the Department  
3 of Revenue in implementing the tax credit; and to authorize  
4 local boards of education to establish career academies for  
5 students in grades 10 and 11 to participate in  
6 career-technical dual enrollment programs.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. This act shall be known and shall be  
9 cited as the Alabama Career Academy Act of 2014.

10 Section 2. For the purposes of this act, the  
11 following words shall have the following meanings:

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

22 (2) CONTRIBUTION. A donation of cash.

23 (3) ELIGIBLE STUDENT. A high school student who  
24 meets the eligibility requirements and standards as prescribed  
25 by State Board of Education policy to enroll for  
26 career-technical education dual enrollment/dual credit  
27 courses.

1 (4) COMMUNITY COLLEGE FOUNDATION. A nonprofit entity  
2 administered in accordance with federal and state tax laws,  
3 established to promote a specific Alabama Community College  
4 System institution and provide financial support to students  
5 of that institution by paying for qualifying educational  
6 expenses.

7 (5) QUALIFYING EDUCATIONAL EXPENSES. Tuition, fees,  
8 books, materials, and supplies required of or on behalf of a  
9 student by the Alabama Community College System institution or  
10 institutions for participation in a career-technical dual  
11 enrollment program.

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

16 Section 3. (a) (1) For tax years commencing January  
17 1, 2014, and thereafter, a taxpayer who files a state income  
18 tax return and is not a dependent of another taxpayer may  
19 claim a tax credit for a contribution made to a community  
20 college foundation for qualifying educational expenses  
21 directly associated with a career-technical dual enrollment  
22 program.

23 (2) The tax credit may be claimed by the taxpayer in  
24 an amount equal to 50 percent of the total contributions made  
25 to a community college foundation during the taxable year for  
26 which the credit is claimed, provided the taxpayer must donate  
27 a minimum of one thousand dollars (\$1,000) during the taxable

1 year to that specific community college foundation to claim a  
2 tax credit, and further provided such credit may not exceed,  
3 for any given tax year, an amount greater than one million  
4 dollars (\$1,000,000) in donations to a specific community  
5 college foundation and five million dollars (\$5,000,000) in  
6 aggregate donations to multiple community college foundations.

7 (3) The Department of Revenue shall develop  
8 procedures to ensure that these caps are not exceeded, shall  
9 also prescribe the various methods by which these credits are  
10 to be issued, and shall develop procedures to notify taxpayers  
11 at such points in time when the one million dollar  
12 (\$1,000,000) or five million dollar (\$5,000,000) annual  
13 limitation, as applicable, has been reached for the tax credit  
14 pursuant to this act.

15 (b) (1) The Department of Revenue shall adopt rules  
16 and procedures consistent with this section as necessary to  
17 implement this act.

18 (2) The Department of Revenue shall provide a  
19 standardized format for a receipt to be issued by a community  
20 college foundation to a taxpayer to indicate the value of a  
21 contribution received. The Department of Revenue shall require  
22 the taxpayer to provide a copy of the receipt when claiming  
23 the tax credit pursuant to this act.

24 (c) The tax credit provided in this section may be  
25 first claimed for the 2014 tax year and may not be claimed for  
26 any tax year prior to the 2014 tax year.

1           Section 4. (a) The Department of Revenue may require  
2 a taxpayer to submit copies of receipts or other similar  
3 financial documentation with the taxpayer's state income tax  
4 return as necessary to confirm eligibility for the tax credit.

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

8           Section 5. The Commissioner of Revenue shall  
9 annually report the total amount of tax credits claimed and  
10 authorized pursuant to this act, on or before the fifteenth  
11 day of each regular session, to the Director of Finance, the  
12 Chair of the House Ways and Means Education Committee, and the  
13 Chair of the Senate Finance and Taxation Education Committee.

14           Section 6. (a) Each community college foundation  
15 shall be responsible for allocating or disbursing the funds  
16 made available by this act for qualifying educational  
17 expenses.

18           (b) Any portion of funds from contributions received  
19 pursuant to this act during a tax year and remaining  
20 unallocated at the end of that tax year may be used by the  
21 community college foundation in subsequent tax years for  
22 qualifying educational expenses.

23           Section 7. In order to promote career-technical dual  
24 enrollment programs in the state, each local board of  
25 education may establish a career academy to assist or  
26 otherwise support students in grades 11 and 12 to participate

1 in career-technical dual enrollment programs. The board may  
2 adopt rules to expedite the implementation of such programs.

3 Section 8. This act shall become effective  
4 immediately following its passage and approval by the  
5 Governor, or its otherwise becoming law.