

SENATE BILL 2500

By Gresham

AN ACT to amend Tennessee Code Annotated, Title 49;
Title 67, Chapter 4, Part 20 and Title 67, Chapter
4, Part 21, relative to tax credits for donations to
local education agencies and schools.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 67-4-2009, is amended by adding
the following language as a new subdivision:

(9)

(A) As used in this subdivision (9):

(i) "Educational donation" or "donation" means a gift or
contribution of money from a taxpayer to, and for the benefit of, an LEA or
a public school, including public charter schools authorized by an LEA,
the state board of education or the achievement school district (ASD),
and schools operated by the ASD; and

(ii) "Qualified educational expenses" means:

(a) Expenses incurred for the purchase of curriculum for
use in:

(1) Character education;

(2) Civics education; or

(3) STEM education; or

(b) Expenses incurred for technology, including hardware,
software, and infrastructure.

(B) For tax years beginning on or after January 1, 2017, there shall be
allowed against the sum total of the taxes imposed by the franchise tax law,

compiled in part 21 of this chapter, and by the excise tax law, compiled in this part, a credit equal to the amount of an educational donation made by a taxpayer to an LEA or public school for qualified educational expenses.

(C) The credit allowed under this subdivision (9) is nonrefundable and nontransferable. Any unused credit allowed under this subdivision may be carried forward for five (5) years after the tax year in which the credit originated.

(D) To become entitled to the credit, the taxpayer shall provide to the department of revenue, in a form to be determined by the department, documentation certifying that the educational donation has been made, including the date and amount, and affirming that the donation will be used by the LEA or public school for qualified educational expenses.

(E) The LEA or public school shall certify on a form prescribed by the department that the donation will be used for qualified educational expenses. The LEA or public school shall provide the certification to the taxpayer. The taxpayer shall submit the certification to the department when claiming a credit under this section.

(F) The taxpayer shall supply any information as deemed necessary by the commissioner to verify the amount of the credit and that the donation is used by an LEA or public school for qualified educational expenses.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.