

HOUSE BILL NO. HB0228

Tax credit education savings accounts.

Sponsored by: Representative(s) Gray, Clem, Edwards,
Jennings, Lone, Piiparinen and Salazar and
Senator(s) Case and Meier

A BILL

for

1 AN ACT relating to education; establishing the tax credit
2 education savings account program; specifying duties of the
3 state superintendent; providing program requirements;
4 authorizing severance tax credits; providing definitions;
5 providing rulemaking authority; requiring a report; and
6 providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 21-4-701 through 21-4-703 are created
11 to read:

12

13

ARTICLE 7

14

TAX CREDIT EDUCATION SAVINGS ACCOUNTS

15

1 **21-4-701. Definitions.**

2

3 (a) As used in this article:

4

5 (i) "Private school" means any nonpublic
6 elementary or secondary school providing a basic academic
7 educational program for children and may include parochial
8 and church or religious schools;

9

10 (ii) "Scholarship organization" means a person
11 who is selected to operate a tax credit education savings
12 account program as provided in this article;

13

14 (iii) "Tax credit education savings account"
15 means a savings account awarded to a student in Wyoming
16 under the tax credit education savings account program and
17 used only for costs and materials associated with attending
18 a private school in grades kindergarten through twelve
19 (12).

20

21 **21-4-702. Program operation.**

22

1 (a) The state superintendent shall recommend to the
2 state loan and investment board at least one (1) applicant
3 to act as a scholarship organization and operate a tax
4 credit education savings account program. The board shall
5 review the recommendation of the state superintendent and
6 select one (1) appropriate person to operate the program.
7 In making a selection under this section the board shall
8 determine if the person has submitted an application in
9 accordance with rule and regulation of the state
10 superintendent that demonstrates that the person is able to
11 administer the program in accordance with the requirements
12 of W.S. 21-4-703.

13

14 (b) Not later than December 31 of each year, the
15 state superintendent shall determine the amount of funds
16 actually provided to students through tax credit education
17 savings accounts and amounts that are not expended from the
18 school foundation program account as a result of the
19 operation of the tax credit scholarship program under this
20 article and report those amounts to the joint
21 appropriations committee, the joint education interim
22 committee and the state treasurer. An amount equal to the
23 amount reported by the state superintendent as actually

1 provided to students through tax credit education savings
2 accounts shall be transferred from the amount that would
3 otherwise be transferred to the school foundation program
4 account under W.S. 9-4-601(a)(ii) and distributed to the
5 severance tax distribution account.

6

7 **21-4-703. Scholarship organization duties.**

8

9 (a) A person may apply to the state superintendent as
10 provided under W.S. 21-4-702 to be a scholarship
11 organization.

12

13 (b) A scholarship organization selected by the state
14 loan and investment board under W.S. 21-4-702 shall operate
15 a tax credit education savings account program as provided
16 in this section. The program shall:

17

18 (i) Provide a mechanism to accept funding for
19 the program;

20

21 (ii) Provide a mechanism for the parent or
22 guardian of a student attending public school in Wyoming to
23 apply for an education savings account;

1

2 (iii) Provide a preference for awarding tax
3 credit scholarships to students with a household income of
4 less than eighty thousand dollars (\$80,000.00);

5

6 (iv) Limit the annual amount that each student
7 may receive under the program to not more than six thousand
8 dollars (\$6,000.00);

9

10 (v) Provide a mechanism to ensure savings
11 accounts awarded under the program are used only for costs
12 associated with attending private schools in Wyoming;

13

14 (vi) Report information on the program as
15 required by rule and regulation of the state superintendent
16 including information on the students who are awarded tax
17 credit education savings account, the private schools that
18 are being attended by those students and any other
19 information necessary to enable the superintendent to
20 determine if the tax credit education savings account
21 program is being operated effectively.

22

1 (c) The scholarship organization may use not more
2 than five percent (5%) of the amounts received under
3 paragraph (b)(i) of this section for the costs of operating
4 the program. The state superintendent may request an
5 accounting of funds expended under this subsection.

6
7 (d) Any person who provides funding for the tax
8 credit scholarship program under paragraph (b)(i) of this
9 section may apply for a tax credit under W.S.
10 39-14-109(d)(iv) or 39-14-209(d)(iv) in an amount equal to
11 the total amount the person actually provided to fund the
12 tax credit scholarship program, provided that the total
13 amount of credits shall not exceed the amount actually
14 distributed to students through education savings accounts.
15 In the event that more funds are provided than are
16 distributed to students through education savings accounts,
17 the amount of credits available under this section shall be
18 prorated among each person who provided funding based on
19 the ratio of how the funding provided by that person bears
20 to the total amount of funding provided under paragraph
21 (b)(i) of this section. Excess funding provided under
22 paragraph (b)(i) of this section that is not used for
23 scholarships or as provided under subsection (c) of this

1 section shall be refunded to the person who provided the
2 funding.

3

4 **Section 2.** W.S. 9-4-601(a)(ii) and by creating a new
5 paragraph (xii), 39-14-109(d) by creating a new paragraph
6 (iv) and 39-14-209(d) by creating a new paragraph (iv) are
7 amended to read:

8

9 **9-4-601. Distribution and use; funds, accounts,**
10 **cities and towns benefited; exception for bonus payments.**

11

12 (a) All monies received by the state of Wyoming from
13 the secretary of the treasury of the United States under
14 the provisions of the act of congress of February 25, 1920
15 (41 Stat. 437, 450; 30 U.S.C. §§ 181, 191), as amended, or
16 from lessees or authorized mine operators and all monies
17 received by the state from its sale of production from
18 federal mineral leases subject to the act of congress of
19 February 25, 1920 (41 Stat. 437, 450; 30 U.S.C. §§ 181,
20 191) as amended, except as provided by subsection (b) of
21 this section, shall be deposited into an account and the
22 first two hundred million dollars (\$200,000,000.00) of
23 revenues received in any fiscal year shall be distributed

1 by the state treasurer as provided in this subsection. One
2 percent (1%) of these revenues shall be credited to the
3 general fund as an administrative fee, and the remainder
4 shall be distributed as follows:

5
6 (ii) Subject to ~~paragraph~~paragraphs (xi) and
7 (xii) of this ~~section~~subsection, forty-four and
8 eight-tenths percent (44.8%) to the public school
9 foundation program account subject to allocations under
10 W.S. 9-4-605;

11
12 (xii) From the amounts which would otherwise be
13 distributed to the school foundation program account under
14 paragraph (ii) of this subsection, there is annually
15 appropriated the amount determined under W.S. 21-4-702(b)
16 to be distributed to the severance tax distribution
17 account.

18
19 **39-14-109. Taxpayer remedies.**

20
21 (d) Credits. The following shall apply:

22

1 (iv) A taxpayer may apply for a credit equal to
2 amounts actually provided for the tax credit education
3 savings account program as provided in W.S. 21-4-703(d),
4 provided that the total amount of credits under this
5 paragraph shall not exceed the amounts actually distributed
6 to students through education savings accounts. Tax credits
7 shall be prorated, if applicable, among all persons that
8 provided funding for the program as provided in W.S.
9 21-7-703(d). The credit shall not apply to any tax due
10 under W.S. 39-14-104(a)(i).

11
12 **39-14-209. Taxpayer remedies.**

13
14 (d) Credits. The following shall apply:

15
16 (iv) A taxpayer may apply for a credit equal to
17 amounts actually provided for the tax credit education
18 savings account program as provided in W.S. 21-4-703(d),
19 provided that the total amount of credits under this
20 paragraph shall not exceed the amounts actually distributed
21 to students through education savings accounts. Tax credits
22 shall be prorated, if applicable, among all persons that
23 provided funding for the program as provided in W.S.

1 21-7-703(d). The credit shall not apply to any tax due
2 under W.S. 39-14-204(a)(i).

3

4 **Section 3.** The state superintendent shall adopt rules
5 and regulations as necessary to begin accepting
6 applications for implementation of the tax credit
7 scholarship program in school year 2017-2018.

8

9 **Section 4.** This act is effective immediately upon
10 completion of all acts necessary for a bill to become law
11 as provided by Article 4, Section 8 of the Wyoming
12 Constitution.

13

14

(END)