

# One Hundred Fourth Legislature - First Session - 2015

## Introducer's Statement of Intent

### LB26

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**Chairman: Senator Mike Gloor**

**Committee: Revenue**

**Date of Hearing: March 4, 2015**

The following constitute the reasons for this bill and the purposes which are sought to be accomplished thereby:

Legislative Bill 26 adopts the Choice for the Advancement of Nebraska Children in Education Act, or CHANCE, which establishes and makes available to private donors (e.g. individuals and businesses) a limited tax credit for contributions to state-certified, non-profit scholarship-granting organizations.

A tax credit could be claimed for 60 percent of contributions to scholarship-granting organizations made during the tax year. The credit would be nonrefundable, but any credit amount exceeding the taxpayer's liability could be carried forward up to five years. The bill proposes an annual aggregate, statewide cap of \$10 million, which would increase automatically by 25 percent if contributions equal or exceed 90 percent of the cap.

The most important aspect of LB 26 is that it would give more of Nebraska's low and middle income families the ability to choose the educational institution that is best for their child. With this legislation, Nebraska would join 43 other states and Washington, D.C. that offer the possibility of school choice to their children, including 14 states that have tax credit scholarship programs.

Scholarship eligibility under LB 26 would be limited to students in households with incomes not exceeding two times the federal eligibility requirements for school reduced price meals. First time scholarship eligibility would be limited to children who: would be transferring from any grade in a public school; are entering kindergarten or ninth grade in a non-public school; and, are siblings of current scholarship recipients.

The scholarship-granting organizations would be required to use no less than 90 percent of their revenue for scholarships. A non-public school qualified to receive students with scholarships would have to be approved or accredited under the applicable laws and regulations of the state of Nebraska.

**Principal Introducer:** \_\_\_\_\_

**Senator Bob Krist, District 10**