

**Act 2015-434 (SB 71)**

**Revisions to the Alabama Accountability Act, including provisions for the following:**

1. For credits against 2014 tax liability for donations made in 2015 through the due date of the 2014 tax return, or until the remaining available amount for 2014 is exhausted
2. That 5% of tax credit donations to SGOs may be expended for non-scholarship expenses, not only in the year donations are received, but also in any subsequent year
3. An increase from \$25 million to \$30 million in the aggregate allowable annual tax credits
4. An increase from \$7,500 to \$50,000 in the annual maximum tax credit available on an individual income tax return
5. The ability for owners/members of partnerships and S-Corps to take pro-rata income tax credits for donations made to SGOs by the partnerships and S-Corps
6. Scholarship limits of \$6,000 for elementary schools, \$8,000 for middle schools and \$10,000 for high schools; but not in excess of the published prices charged to non-scholarship students
7. An academic year reporting period for SGOs from July 1<sup>st</sup> to June 30<sup>th</sup>, versus the previous calendar year reporting period. A six-month report will be due on September 1, 2015, for the period from Jan. 1, 2015 to June 30, 2015.
8. Quarterly SGO reports, to be due fifteen (15) days after the end of each quarter. The first report is due October 15, 2015, for the quarter ending Sept. 30, 2015.
9. A requirement for annual and quarterly SGO reports to be placed on ADOR's website
10. Continuing eligibility for scholarships to previous scholarship recipients, regardless of whether the student would be zoned to attend a failing school in any subsequent year
11. A new family income test for eligibility, set at 185% of the federal poverty level. A family is defined as two or more related persons who reside together.
12. An ongoing biennial family income test for scholarship recipients, versus the previous guarantee of eligibility regardless of household income through high school. Recipients will lose eligibility if family income for the previous calendar year exceeds 275% of the federal poverty level.
13. A required date for scholarship funds on hand at the beginning of a calendar year to be expended on scholarships. Such funds must be expended no later than the end of the academic year beginning within the next succeeding calendar year.
14. A requirement for scholarship funds not expended by the required date to be turned over to the SDE for the At-Risk Student Program
15. An earlier date for scholarship funds to be made available to new non-failing school students, July 31<sup>st</sup> versus Sept. 15<sup>th</sup>.

With the exception of items 1, and 2, the changes are effective for tax years or periods beginning on or after January 1, 2015. Item 2, the ability to make non-scholarship expenditures is effective for all periods since the original enactment of the Alabama Accountability Act. Item 1, the retroactive 2014 tax credits, is effective for the 2014 tax year, only.