



Indiana State School Voucher

House Bill 1003

- A bill that redirects state funds from a public school to pay for tuition and fees at a private school through a state voucher.
- Vouchers for students in grades 2 through 8 would be limited to \$4,500 per school year.
(Unless student was on SGO in kindergarten, then could receive in grade 1)
- Voucher eligibility would be limited to families who meet the economic guidelines.
- Families who qualify for the federal free and reduced lunch program (annual income less than \$40,800 for a family of four) could receive a voucher up to 90 percent of the public school corporation's per-pupil funding.
- A household income of about \$61,000 would enable a student to receive a voucher up to the amount of 50 percent of the school corporation's per-pupil funding.
- The bill limits the number of vouchers available to 7,500 the first year, 15,000 the second year, with no cap after that.



Donor Funded: Educational CHOICE Charitable Trust/Scholarship Granting Organization

Indiana School Scholarship Tax Credit Program

The Indiana School Scholarship Tax Credit Program, passed in the summer of 2009, is designed to provide scholarship support for thousands of low and middle income families to enroll their children into the private or public school of their choice. Donors (individuals or corporations) are eligible to take advantage of a 50% credit against their state tax liability for contributions made to a qualified scholarship granting organizations (SGO).

- Taxes applicable: adjusted gross income tax, financial institutions tax, insurance premiums tax. Corporate or individual taxpayers may participate.
- No limit on the size of individual contributions to SGOs, but the tax credit amount cannot exceed a taxpayer's state tax liability.
- Program caps: \$2.5 million per year (qualifying up to \$5M in donations). First to contribute, first to qualify for tax credits.
- Eligible students: SGOs set their own eligibility requirements, but family income cannot exceed 200% of federal free or reduced lunch levels, students must be entering kindergarten or have been enrolled in a public school the previous year (i.e. doesn't fund current private school students), and be an Indiana resident.
- An SGO may not limit the ability of a recipient of a scholarship to change attendance from one participating school to another.
- SGOs will work directly with the Dept. of Revenue to assure your donation qualifies and is properly recorded.