



NEW YORK STATE SENATOR

Andrew J. Lanza

## Senate Passes Education Investment Tax Credit to Give Parents More Options in Their Child's Education

ANDREW J LANZA January 21, 2015

### *Measure Provides New Tax Incentives to Offer Parents More Educational Choices*

The New York State Senate today passed legislation that helps give parents more choice in the education of their child. The Education Investment Tax Credit (S1976), cosponsored by Senator Andrew Lanza (R-Staten Island), creates new tax incentives for contributing to a child's education, encourages investment in schools, and provides parents with more options in finding educational opportunities.

Senator Lanza said, "This legislation will advance New York State's interest in providing the highest quality of education to all students. As we continue to look for ways to reduce the tax burden on New Yorkers, and at the same time improve education, this legislation appropriately promotes charitable giving to our schools and students. The Senate has been out in front of this issue, having passed this bill with an overwhelming majority twice, and including it in our one house budget last year. I urge the State Assembly to now pass this bill so to allow education, and thus the future of our State, to prosper."

Senate Majority Leader Dean G. Skelos said, "The Education Investment Tax Credit would give new educational options to parents and help schools and students succeed. This measure will continue to be a priority of our conference during state budget negotiations."

The Education Investment Tax Credit provides tax incentives for qualified education donations to public schools, scholarship organizations, and education funds, and for the purchase of teaching materials.

The measure provides a maximum tax credit of 90 percent of individuals and corporate franchise taxpayers' qualified contributions, capped at \$1 million plus any amount carried over from a prior year. Eligible contributions include donations to public schools; school improvement organizations or local education funds that provide support to public schools; and qualifying educational scholarship organizations. The credit is capped at \$150 million for 2016, \$225 million for 2017, and \$300 million for 2018 and thereafter. Taxpayers would not be allowed to use a qualified contribution as both a charitable itemized deduction and a credit against their New York State income tax.

The bill would also provide a refundable personal income tax credit for the purchase of instructional materials and supplies by teachers at public, charter, or non-public schools and by individuals who provide home-based instruction. The credit would be the lesser of \$200 or 100 percent of the amount used to purchase the materials.

The bill will be sent to the Assembly.

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