

FISCAL NOTE

March 16, 2017

Bill No:	HB 250	Printer's No:	211	Sponsor:	Turzai (R)
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Fund (s)	COST / (SAVINGS)		
	2016-17	2017-18	2018-19
General Fund	\$ 0	\$40.6 million	Up to \$75 million

SUMMARY: The bill would increase the total aggregate amount limitation for the Education Improvement Tax Credit (EITC) and the Opportunity Scholarship Tax Credit (OSTC).

ANALYSIS: Currently, the total aggregate amount limitation for the EITC is \$125 million. The bill would increase the limitation to \$175 million. The \$175 million must be used as follows:

- \$105 million for credits for contributions from business firms to scholarship organizations
- \$52.5 million for credits for contributions from business firms to educational improvement organizations
- \$17.5 million for credits for contributions from business firms to pre-kindergarten scholarship organizations.

Presently, the total aggregate amount limitation for the OSTC is \$50 million. The bill would increase the limitation to \$75 million.

The act would take effect in 60 days.

FISCAL IMPACT: The bill would have a fiscal impact of \$40.6 million in fiscal year 2017-18 due to decreased tax revenues as a result of the increased credit limitations. For each fiscal year beginning in 2018-19, the bill would result in up to \$75 million in reduced tax revenues, if the full amount of tax credits is awarded.