

APA-6
10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-61-.01

Rule Title: Definition of Terms and Phrases used in Connection with the Scholarship Program.

 New X Amend Repeal Adopt by Reference

- NO
 YES

This rule has no economic impact.

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
3. EFFECT OF THIS RULE ON COMPETITION:
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:
8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND

**BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE
BENEFITS AND BURDEN COMPARISON:**

9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:
10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:
11. OTHER COMMENTS:

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11/96

**ALABAMA DEPARTMENT OF REVENUE
Individual & Corporate Tax Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-2-8-.16 Alabama Requirements for Mandatory E-File of Business Privilege
Tax Returns

INTENDED ACTION: Adopt new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above rule to explain the electronic filing mandate requirements for business privilege tax returns prepared by financial institution groups.

RULE NO. & TITLE

810-3-61-.01 Definition of Terms and Phrases used in Connection with the Scholarship
Program
810-3-61-.02 Credits for Contributions to Scholarship Granting Organizations (SGOs)
810-3-61-.03 Application of Scholarship Granting Organizations (SGOs) for
Participation in the Scholarship Program
810-3-61-.04 Receipt, Maintenance and Disbursement of Scholarship Funds by
Scholarship Granting Organizations (SGOs)
810-3-61-.05 Annual Report of Scholarship Granting Organizations (SGOs)
810-3-61-.06 Notice of Nonpublic School to the Department of its Intention to
Participate in the Scholarship Program
810-3-61-.07 Continuing Eligibility of Scholarship Granting Organization (SGO) to
Participate in the Tax Credit Scholarship Program

INTENDED ACTION: Amend rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rules to comply with the provisions of Act 2015-434, concerning Scholarship Granting Organizations (SGOs).

RULE NO. & TITLE

810-3-61-.08 Percentage of Low-Income Eligible Students in a County

INTENDED ACTION: Repeal rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to repeal the above rule to comply with the provisions of Act 2015-434, concerning Scholarship Granting Organizations (SGOs).

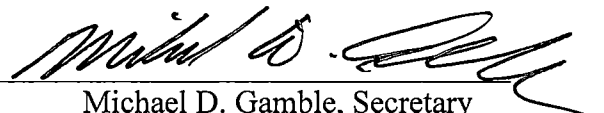
TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **2:00 p.m. on Wednesday, September 9, 2015, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at <http://revenue.alabama.gov/analysis/upcoming-rule-hearings.cfm>

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Wednesday, September 9, 2015

CONTACT PERSON AT AGENCY:

Patricia Thomas
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380


Michael D. Gamble, Secretary
Alabama Department of Revenue

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810-3-61-.01 Definition of Terms and Phrases used in Connection with the Scholarship Program.

(1) Scope: Act 2013-64, as amended by Acts 2013-265 and 2015-434, provides for income tax credits to individuals and corporations making scholarship donations to Scholarship Granting Organizations (SGOs.) This rule defines certain terms and phrases used in connection with the program.

(2) "Eligible Student" is a member of a family consisting of at least two or more related persons who reside together with an annual income equal to or less than 185% the federal poverty level. The SGO must determine the eligibility of each student every other academic year in which the student receives an educational scholarship. If the annual income of the scholarship recipient's family should exceed 185 percent of the federal poverty level, the student will remain eligible until such a time as the annual income of the student's family exceeds 275 percent of the federal poverty level or the age of 19 is reached.

(3) "Academic Year" shall refer to the 12-month period beginning on July 1 and ending on the following June 30.

(2) (4) "Department" shall mean the Alabama Department of Revenue.

(3) (5) "Educational Scholarship" is a grant made by a scholarship granting organization to an eligible student to cover all or part of the tuition and mandatory fees for one academic year subject to the scholarship limits of \$6000 for elementary schools, \$8000 for middle schools, and \$10,000 for high schools; but not in excess of the nonpublic schools normal published prices or state appropriations for public school students.

(6) "SCHOLARSHIP GRANTING ORGANIZATION" is an organization that provides or is approved to provide educational scholarships to eligible students attending qualifying schools of their parents' choice.

(3) (7) "Scholarship funds unaccounted for" shall mean the amount of scholarship funds which have not been paid out, promised or otherwise committed for a particular student, as of a given date.

(4) (8) "Previous school year" means the normal academic year ending immediately prior to during the academic calendar year for which the report is submitted. ~~If, however, an educational scholarship is granted at a time other than the fall term of an academic year, the prior school year shall mean the twelve-month period immediately preceding the period for which the educational scholarship is granted.~~

(5) (9) "Household" has the same meaning as the term "household" as used by

~~the U.S. Department of Commerce in its reporting and publication of household income amounts, regardless of any relationship between a particular house member to the primary house member or any other house member.~~

~~(6) (10) "Household Income" has the same meaning as the phrase "household income" as used by the U.S. Department of Commerce in its reporting and publication of household income amounts, including amounts taxable for federal income tax purposes as well as certain other amounts which may be nontaxable.~~

~~(7) (11) "Median Household Income" means the median income amount reported for the State of Alabama by the Census Bureau of the U.S. Department of Commerce in its most recent annual Statistical Abstract of the United States, Table 706, Household Income Distribution by Income Level and State. The amount reported for Alabama in the 2012 Statistical Abstract, for the most recent year, calendar year 2009, is \$40,489.~~

Author: Curtis Stewart and Neal Hearn
Authority: Sections 40-2A-7(a)(5) and 16-6D-1, Code of Alabama 1975
History: New rule: Filed August 23, 2013, effective September 27, 2013.