



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-.05

Rule Title: Annual Report of Scholarship Granting Organizations (SGOs)

           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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**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

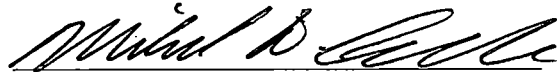
**SUBSTANCE OF PROPOSED ACTION:** The department proposes to repeal the above rule to comply with the provisions of Act 2015-434, concerning Scholarship Granting Organizations (SGOs).

**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-.05 Annual Report of Scholarship Granting Organizations (SGOs)

(1) Scope. Act 2013-64, as amended by Acts 2013-265 and 2015-434, provides for SGOs to report publicly certain information to the Department of Revenue in connection with its educational scholarships grants funded. This rule prescribes the required information and dates of submission, ~~which shall be provided for the previous calendar year.~~

(a) By the 15<sup>th</sup> day after the close of each calendar quarter a report containing the following information about educational scholarships granted during the quarter:

1. The total number of scholarships awarded.

2. The total dollar amount of scholarships awarded and funded.

3. The name of each qualifying school that received scholarship funding, the total amount of scholarship funds paid to each qualifying school, and the total number of scholarship recipients enrolled in each qualifying school.

4. The total number of eligible students zoned to attend a failing school who received educational scholarships from the SGO's.

5. The total number of first time scholarship recipients.

6. The total number of first time scholarship recipients who were continuously enrolled in a nonpublic school prior to receiving an educational scholarship from the SGO.

7. The total number of first time scholarship recipients who were continuously enrolled in a public school prior to receiving an educational scholarship from the SGO.

(b) By September 1 for the previous academic year a report containing the following information about educational scholarships granted:

1. The name and address of the SGO.

~~(2)~~ 2. The total number and total dollar amount of donations received the previous academic year. The actual individual donors and the amounts of their donations must be entered into the Department's system by the SGO as required by Rule 810-3-61-.04.

~~(3)~~ 3. The total number and total dollar amount of educational scholarships awarded ~~(actually paid out) during the year~~ and funded the previous academic year.

~~(4) The name of the county in which the SGO expended the majority of its funds for educational scholarships during the year, and the percentage of low-income eligible students in the county.~~

~~(5)~~ **4.** The total number and total dollar amount of educational scholarships awarded **and funded** during the **previous academic** year to students qualifying for the federal free and reduced-price lunch program.

~~(6)~~ **5.** The percentage of first-time scholarship recipients during the year who were enrolled in public school for the entire previous **academic** school year.

~~(7)~~ **6.** The percentage of first-time scholarship recipients during the year who were enrolled in **nonpublic private** school for the entire previous **academic** school year.

~~(8)~~ **7.** A schedule reporting the following information for each student awarded an educational scholarship from the SGO:

(a) The name and identifying information of the student,

(b) The amount of the educational scholarship awarded for the student during the **academic** year,

(c) The nonfailing or nonpublic school to which the scholarship grant was paid,

~~(d) The county in which the school receiving the scholarship grant is located,~~

~~(e)~~ **(d)** The name of the failing public school to which the student was assigned,

~~(f)~~ **(e)** The dates of the academic year for which the student was first awarded an educational scholarship under the tax credit program,

~~(g)~~ **(f)** Whether the student was enrolled in a public or nonpublic school during the entire previous school year. Students enrolled in a public school as well as nonpublic school for a portion of the previous school year, should not be listed as being enrolled in either public or nonpublic school for the year. If the student was less than school age during the prior school year, the student should not be listed as being enrolled in either public or nonpublic school for the year,

~~(h) Whether the student is a low-income eligible student, for which documentation of family income is maintained as required in Rule 810-3-61-.04,~~

~~(i)~~ **(g)** Whether the student qualified for the federal free and reduced-price lunch program.

(9) A statement as to whether the SGO has received complaints of discrimination, and if so, a description of the action taken.

(10) A copy of the required annual Form 990.

(11) A statement as to whether the SGO's policies and procedures rather than the schools accepting the scholarship funds determines the scholarship recipient's eligibility and that priority is given to eligible students zoned to attend a failing school.

(12) A statement as to whether or not the SGO's policies or procedures restricts a parent's educational choice in qualifying schools.

(13) A statement as to whether the SGO has provided by August 15 of each year achievement test results to the Department of Revenue and the independent research organization selected by the Department of Revenue to analyze the test results required in paragraph (c) below.

(14) A copy of written verification received from each nonpublic school that receives educational scholarships from the SGO is in compliance with the Alabama Child Protection Act of 1999.

(15) A copy of written verification received from each nonpublic school that receives educational scholarships from the SGO that they are in compliance with all health and safety laws or codes that otherwise apply to nonpublic schools, hold a valid occupancy permit if required by the municipality, are in compliance with nondiscrimination policies set forth in 42 USC 1981, and conduct criminal background checks on employees to exclude from employment any person not permitted by state law to work in a public school or who may pose a threat to the safety of the students.

~~(11)~~ (16) The aggregate amount of scholarship funds ~~unaccounted for~~ unexpended as of the end of the year.

~~(12)~~ (17) A reconciliation of unexpended scholarship funds ~~unaccounted for~~ as of the beginning of the ~~calendar~~ academic year to the amount held as of the end of the calendar year, as follows:

(a) ~~Unaccounted for~~ Unexpended scholarship funds, beginning of academic year 7/1,

(b) Plus, interest and revenue from investment of scholarship funds 7/1 – 12/31,

(c) Plus, scholarship donations received during the academic year 7/1 – 12/31,

(d) Less, actual scholarship grants paid during the academic year 7/1 – 12/31,

(e) Less, allowable non-scholarship expenditures made during the academic year 7/1 – 12/31,



(f) Equals, unexpended unaccounted for scholarship funds, end of calendar year.

**(18) A reconciliation of unexpended scholarship funds as of the beginning of the calendar year to the amount held as of the end of the academic year, as follows:**

**(a) Unexpended scholarship funds, beginning of calendar year 1/1,**

**(b) Plus, interest and revenue from investment of scholarship funds 1/1 – 6/30,**

**(c) Plus, scholarship donations received during the academic year 1/1 – 6/30,**

**(d) Less, actual scholarship grants paid during the academic year 1/1 – 6/30,**

**(e) Less, allowable non-scholarship expenditures made during the academic year 1/1 – 6/30,**

**(f) Equals, unexpended scholarship funds, end of academic year.**

**(c) By August 15 of each calendar year the results of the annually administered state or nationally recognized achievement tests given by qualifying schools who receive scholarships in order to measure the success of the program. The results should be provided to both the Department of Revenue and the independent research organization chosen by the Department of Revenue to analyze the test results.**

**1. Results should be provided in such a way as to aggregate the data by age, grade level, gender, family income level, race, attendance, graduation rates, whether a scholarship recipient and number of years a scholarship recipient.**

**2. The independent research organization selected to analyze the results of the tests are required to report the findings on learning gains of scholarship students to the Department of Revenue every other year with the first biennial report due by September 1, 2016. This report shall also be submitted to the Senate Education Policy Committee and the Chair of the House Education Policy Committee.**

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.