

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-3-60-.02

Rule Title: Eligibility for Parent Tax Credit for Students Attending a Nonpublic School

New; Amend; Repeal; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A


Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have any economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer 

Date 11/20/13

APA-6
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: Eligibility for Parent Tax Credit for Students Attending a Nonpublic School

Rule Title: 810-3-60-.02

 New X Amend Repeal Adopt by Reference

- NO This rule has no economic impact.
 YES 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:

APA-2
11/96

**ALABAMA DEPARTMENT OF REVENUE
Tax Policy & Research Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-3-60-.02 Eligibility for Parent Tax Credit for Students Attending a Nonpublic School
810-3-60-.03 Eligibility for Parent Tax Credit for Students Transferring to a Failing Public School

INTENDED ACTION: Amend above rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to amend the above rules to correct a statutory reference.

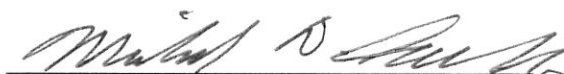
TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **10:30 a.m. on Thursday, January 9, 2014, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

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:
Thursday, January 9, 2014

CONTACT PERSON AT AGENCY:

Patricia Toles
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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810-3-60-.02 Eligibility for Parent Tax Credit for Students Attending a Nonpublic School.

(1) Scope. This rule is issued pursuant to Section ~~16-16D-1~~ **16-6D-1**, Code of Alabama 1975, to provide guidance to parents who choose to transfer a student to a nonpublic school upon notification that the student is enrolled in or assigned to attend a failing school.

(2) In order to be eligible for the parent tax credit, a parent must transfer a student and incur creditable costs at a nonfailing public school or nonpublic school.

(a) A nonpublic school, for purposes of the parent tax credit, is any private school, including parochial schools, that is accredited by a state recognized accrediting agency and has notified the Department of Revenue of its intent to participate in and comply with the requirements of the Section 9 scholarship program established by the Alabama Accountability Act (Act 2013-64).

(b) Example. Upon notification that Student A is assigned to attend a failing school, his parents choose to enroll him in an accredited private school that chooses **not** to participate in the Section 9 scholarship program. In this scenario, the student's parents are not eligible to claim the parent tax credit, even if they incur otherwise creditable costs, because the school that the student transferred to does not meet the Alabama Accountability Act definition of nonpublic school, a requirement to be eligible for the parent tax credit.

(c) Example. Upon notification that Student B is assigned to attend a failing school, her parents choose to enroll her in an accredited private school that participates and complies with the requirements of the Section 9 scholarship program. Assuming Student B's parents meet the other requirements for the Section 8 parent tax credit further outlined in Rules 810-3-60-.01 and 810-3-60-.03, Student B's parents are eligible to claim the parent tax credit.

(3) Homeschooling does not meet the criteria required for the tax credits established in the Alabama Accountability Act.

Author: Brandee Tickle

Authority: Sections 40-2A-7(a)(5) and ~~16-16D-1~~ **16-6D-1**, Code of Alabama 1975

History: New rule: Filed August 23, 2013, effective September 27, 2013.