



SENATE BILL 2206

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 4; Title 9 and Title 49, relative to the federal tax credit for contributions made to certain scholarship granting organizations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 1, is amended by adding the following as a new part:

49-1-1301.

This part is known and may be cited as the "Federal Tax Credit Scholarship Act."

49-1-1302.

In accordance with § 25F of the Internal Revenue Code (26 U.S.C. § 25F), the commissioner of education shall elect to participate in the federal tax credit established under Section 70411 of Pub. L. No. 119-21 for individuals who make qualified contributions to scholarship granting organizations and identify scholarship granting organizations located in this state in accordance with § 49-1-1303.

49-1-1303.

(a) The department of education shall certify and submit to the secretary of the treasury of the United States and publish on the department's website a list of scholarship granting organizations that meet the requirements of § 25F of the Internal Revenue Code (26 U.S.C. § 25F) and are located in this state. As part of the submission, the department shall certify its authority to submit the list on behalf of the state and comply with any other requirements of 26 U.S.C. § 25F, its associated regulations, or other applicable guidance issued by the secretary of the treasury of the United States.

(b) The department may establish rules governing the process and documentation necessary for an entity to qualify to be included as a scholarship granting organization on the list produced and submitted by the department pursuant to subsection (a) and in accordance with 26 U.S.C. § 25F, its associated regulations, or other applicable guidance issued by the secretary of the treasury of the United States. Rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

(c) The department may enter into an agreement with other state departments and agencies, including the department of revenue, to meet the requirements of this section.

49-1-1304.

The department of education shall comply with all federal regulations pertaining to the administration of the federal tax credit established under 26 U.S.C. § 25F to ensure that the state is eligible to participate in taxable years beginning after December 31, 2026.

49-1-1305.

In accordance with 26 U.S.C. § 25F and any applicable federal regulation and guidance, qualifying scholarship granting organizations on the list produced pursuant to § 49-1-1303 may provide scholarships for any qualified elementary or secondary education expense, including home school expenses, to the extent allowed under federal law.

SECTION 2. This act takes effect upon becoming a law, the public welfare requiring it.

Amendment No. 1 to HB2187

Clemmons

Signature of Sponsor

AMEND Senate Bill No. 2206*

House Bill No. 2187

by deleting § 49-1-1303(a) in Section 1 and substituting instead the following:

(a)

(1) The department of education shall certify and submit to the secretary of the treasury of the United States and publish on the department's website a list of scholarship granting organizations that meet the requirements of § 25F of the Internal Revenue Code (26 U.S.C. § 25F) and are located in this state.

(2) The department shall include in the list of scholarship granting organizations described in subdivision (a)(1) at least one (1) scholarship granting organization whose sole purpose is funding scholarships for tutoring, afterschool programs, and special needs services for public school students, and shall list such organization first on the list published on the department's website.

(3) As part of the submission described in subdivision (a)(1), the department shall certify its authority to submit the list on behalf of the state and comply with the requirements of 26 U.S.C. § 25F, its associated regulations, and with any guidance issued by the secretary of the treasury of the United States.