



## Education Investment Incentives Act (S.4099 – Golden) Memorandum of Support

The Education Investment Incentives Act (EIIA) (S.4099 – Golden) is an innovative piece of legislation that would benefit students and families across the State of New York. The tax credits set forth in the EIIA would facilitate an infusion of donations to public education entities and local education funds, assisting cash-strapped schools and school districts without increasing government spending. The EIIA would also assist students in public and nonpublic schools by incentivizing donations to scholarship funds. Proposals that promote educational opportunity without increasing the size, scope, and cost of government are beneficial to all New Yorkers. NYCF supports the EIIA that has been introduced in the Senate, and would support the Assembly version of the EIIA (A.1826 – Cusick) if it were modified to match the Senate bill.

### **1. The Education Investment Incentives Act helps public schools.**

The EIIA allows for a generous tax credit for donations to public school districts, individual public schools, certain nonprofit educational organizations, and charities that support public schools or charter schools. According to the Sponsor’s Memorandum, the amount of the tax credit is “the lesser of 100% of the amount contributed or 75% of the taxpayer’s liability.” The bill also provides a cap on the total amount of the tax credit that may be sought by a taxpayer in a given year. This proposed credit would encourage donations to New York’s public education system and to charter schools. Increased donations would provide an additional revenue stream without the necessity of increasing state spending or school taxes.

### **2. The Education Investment Incentives Act helps students in both public and nonpublic schools.**

In addition to the tax credit allowed for donations to public school districts, individual public schools, and charities that support public schools or charter schools, the EIIA allows an analogous tax credit for donations to educational scholarship organizations. The bill defines an educational scholarship organization as a charitable organization that provides scholarships or tuition grants to students from more than one public or eligible nonpublic school. Under the EIIA, educational



scholarship organizations could be formed to assist students attending public schools outside their home districts, charter schools, independent private schools, and/or religious schools. This bill would promote educational opportunity and educational choice, and would empower educational scholarship organizations to provide needed financial assistance to eligible students. Educational choice is a key civil rights issue in the 21<sup>st</sup> century. NYCF supports proposals like the EIIA that would enhance educational choice and educational opportunity for students and families in New York.

### **3. The Education Investment Incentives Act helps both school faculty and staff and parents who educate their children at home.**

Section 3(w-2) of the EIIA offers an annual tax credit of \$75 for expenses incurred by school personnel in public schools, nonpublic schools, and charter schools in purchasing instructional materials and supplies. In similar fashion, Section 3(w-1) of the EIIA offers an annual tax credit of \$75 for instructional materials purchased by homeschooling families. These provisions are commendable, as they would provide a small measure of assistance to school personnel and homeschooling families.

The Assembly version of the EIIA (A.1826 – Cusick) does not include the homeschooling credit. This credit would have a negligible fiscal impact on the State of New York, but it would assist homeschooling families and treat them equitably in comparison to school personnel. NYCF calls for the Assembly sponsors of the EIIA to amend the bill to include the homeschooling tax credit.

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**New Yorkers for Constitutional Freedoms encourages Members of the New York State Senate to co-sponsor the Education Investment Incentives Act and vote in favor of it.**

