



Tax Credits for Choice and Investments in Education

Summary

- 1) Parents have a fundamental right and responsibility to direct their children's education.
- 2) All parents, whether their children attend a public, charter, independent or religious school, or are home-schooled, bear additional expenses for their children's education beyond what they pay in state and local taxes.
- 3) All schools need additional revenue to help offset rising costs.

Objective

To enact education tax credits that would:

- 1) provide tax relief to all parents, especially poor parents, for their educational expenses, including tuition; and
- 2) encourage corporate and individual donations to schools and scholarship organizations.

Rationale

Tax Credits for Education Expenses – All parents of school-aged children incur some additional expenses for their children's education beyond what they pay in taxes. These expenses range from buying education materials for the classroom or the home, to expenses for school projects, programs or educational trips, to fees for tutoring or advanced placement programs and yes, tuition at independent and religious schools. Not only would a tax credit for educational expenses help all parents offset these expenses, it would save taxpayers millions of dollars by enabling more parents to enroll their children in independent and religious schools.

School choice opponents try to scare citizens and lawmakers by claiming that parental choice initiatives drain funding from public schools and represent an abandonment of public education. When the Wisconsin Legislature established their parental choice program in 1990, opponents predicted a decline in enrollment, budget reductions, less state education aid, and lower academic performance for students remaining Milwaukee public schools. But none of those predictions came true.

In fact, more than 20 years of data from the Wisconsin Department of Education and the Milwaukee public schools show just the opposite trends.

- Milwaukee public school enrollment increased nearly 5 percent;
- The annual drop-out rate declined;
- Real spending per pupil increased as did state aid;
- Schools have been remodeled; and,
- Academic performance continues to rise.

(over)

Elected and public school officials in Milwaukee and Wisconsin now proudly proclaim that a broad-based system of parental choice is revitalizing their city by turning their school system around, improving the lives of untold numbers of young people, and encouraging families and businesses to move into Milwaukee. That's 20 plus years of facts, not rhetoric.

While opponents of parental choice will try, they simply cannot negate the fact that it costs New York taxpayers more than \$18,000, on average, to educate a student in public school and that educating more children in independent and religious schools will save the state more money. And the more the state saves, the more it has to spend on public schools.

Tax Credits for Investments in Education –

All schools need additional funding to help them meet rising costs and provide needed programs and services. States such as Arizona, Florida and Pennsylvania each have enacted "Education Investment Tax Credits" that encourage corporate and individual donations to schools and/or organizations that serve schools. Currently, when an individual or corporation makes a donation to a school they are able to deduct the amount of the donation from their taxable income. However, providing such donors with a tax credit would give them a greater tax benefit and therefore encourage more donations to schools and important programs serving children.

An Education Investment Tax Credit would also encourage donations to scholarship organizations thereby enabling more parents to receive scholarships to enroll their children in independent or religious schools – again, saving the state money they would otherwise spend on those children in public school.

We therefore strongly urge the Governor and legislature to enact tax credits to help parents meet the educational needs of their children and to encourage private-sector investment.