

2016 LEGISLATIVE AGENDA

NYS Catholic Conference



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 public schools need additional revenue to support important programs and help offset rising costs; and scholarship organizations need additional contributions to provide scholarships for those children on their waiting lists.
- 4) New York State continues to lag behind the nearly 30 states (and the District of Columbia) that have enacted programs that provide assistance to tuition-paying families as well as additional support for public schools.

Conference Position

The Catholic Conference urges enactment of education tax credits that would:

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

Rationale

Tax Credits for Investments in Education

Countless public school districts have fund-raising entities to solicit charitable donations to help meet rising costs and provide funding for important programs. Likewise, scholarship organizations, which rely on charitable contributions, have long waiting lists of students and families desperate for a scholarship to help them afford tuition at the school that meets their needs. Currently, when individuals or corporations make such a donation, they can only deduct the amount of the donation from their taxable income. This long-established tax incentive for charitable giving is no longer sufficient to meet the demands placed on not-for-profit organizations struggling to help students and schools.

The Education Investment Tax Credit proposal would enhance the current tax incentive and thereby encourage increased corporate and individual donations to the public school sector as well as to scholarship organizations that help low- and middle-income families with their tuition expenses. As a result, the Education Investment Tax Credit would help support the education of all children regardless of where they attend school.

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 include education materials for the classroom and/or the home; school projects; academic programs; educational trips; and fees for tutoring and/or advanced placement programs. Tuition-paying families shoulder some of the greatest educational expense beyond school taxes. In addition, teachers spend an average of \$400 of their own money to provide supplies and materials for the children in their classroom.

A personal income tax credit for educational expenses would help all parents and teachers offset a portion of these expenses. Moreover, such a tax credit would save taxpayers millions of dollars by enabling more parents to enroll their children in religious and independent schools.

Opponents of Education Tax Credits argue that these proposals drain funding from public schools. Data from other states (some with programs 25 years old) show just the opposite:

- Increases in state funding to public schools;
- A decline in average drop-out rates; and,
- Steady rise in overall academic performance.

Opponents will also argue that Education Tax Credits help only the rich. The opposite is true. *Tax Credits for Education Expenses* are limited to only low-income and middle-income families, including teachers. *Tax Credits for Investments in Education* steer funding to low- and middle-income families as well as programs that serve needy students. Even the funds donated by wealthy individuals and corporations are directed to help low- and middle-income families, not the rich.

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 to help all children, regardless of where they attend school.