Fiscal Note

BILL # SB 1273

TITLE: STOs; contributions; allowable uses

SPONSOR: Mesnard

STATUS: As Introduced

PREPARED BY: Lydia Chew

Description

SB 1273 would allow recipients of a scholarship from a school tuition organization (STO) to use the monies for the costs of school registration, standardized testing and career and technical education certification assessments, and extracurricular activities.

Estimated Impact

Because SB 1273 does not adjust the level of tax credits available to individuals or businesses for donations to a STO, we do not anticipate that the bill would impact the level of donations to STOs or the corresponding level of tax credits.

The Arizona Department of Revenue has not yet provided an estimate of the bill's impact.

Analysis

Under current law, students may receive scholarships from STOs under the following programs: (1) "original" scholarships from individual contributions, (2) "switcher" scholarships from individual contributions, (3) "low-income" scholarships from corporate contributions, and (4) "disabled/displaced" scholarships from corporate contributions.

SB 1273 expands the uses for STO scholarships to include the costs of school registration, standardized testing and career and technical education certification assessments, and extracurricular activities. These changes would affect corporate disabled/displaced scholarships, individual original scholarships, and individual switcher scholarships. SB 1273 does not affect corporate low-income scholarships.

The bill does not adjust the level of tax credits available to STO donors. As a result, we do not anticipate that SB 1273 will have a fiscal impact.

Local Government Impact

None

2/10/21