

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 347

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO INCOME TAXES; AMENDING CHAPTER 30, TITLE 63, IDAHO CODE, BY THE
2 ADDITION OF A NEW SECTION 63-3029N, IDAHO CODE, TO ESTABLISH PROVISIONS
3 REGARDING THE SCHOOL CHOICE TAX CREDIT; AND PROVIDING AN EFFECTIVE
4 DATE.
5

6 Be It Enacted by the Legislature of the State of Idaho:

7 SECTION 1. That Chapter 30, Title 63, Idaho Code, be, and the same is
8 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
9 ignated as Section 63-3029N, Idaho Code, and to read as follows:

10 63-3029N. SCHOOL CHOICE TAX CREDIT. (1) There is hereby created in the
11 state treasury the school choice tax credit fund for the purpose of imple-
12 menting the provisions of this section. The legislature shall appropriate
13 sufficient funds, no less than thirty million dollars (\$30,000,000), to this
14 fund annually, and the state tax commission shall grant credits to individ-
15 ual taxpayers as provided in this section.

16 (2) For taxable years beginning on or after January 1, 2024, there shall
17 be allowed to a taxpayer a refundable credit against the tax imposed by this
18 chapter for each qualifying school-age child of the taxpayer meeting the re-
19 quirements of this section. If taxes due are less than the total credit al-
20 lowed, the taxpayer shall be paid a refund equal to the balance of the unused
21 credit.

22 (3) For the purpose of this section, the term "qualifying school-age
23 child" or "qualifying child" means a child who:

24 (a) Meets the definition of a "qualifying child" provided in 26 U.S.C.
25 152;

26 (b) Was between the ages of six (6) and eighteen (18) years, inclusive,
27 during the taxable year; and

28 (c) Did not attend a public school in Idaho at any time during the aca-
29 demic year of the taxable year, as verified by the state department of
30 education, instead attended a private school or a home school. Career
31 technical education programs and extracurricular activities, such as
32 sport activities, music, and other school clubs, do not constitute at-
33 tendance under this paragraph.

34 (4) The amount of credit for each qualifying school-age child shall be:

35 (a) One thousand three hundred dollars (\$1,300) for the first qualify-
36 ing child;

37 (b) Nine hundred dollars (\$900) for the second qualifying child;

38 (c) Five hundred dollars (\$500) for the third qualifying child; and

39 (d) Two hundred dollars (\$200) for each additional qualifying child
40 thereafter.

41 (5) A taxpayer who has claimed a credit pursuant to this section may use
42 receipts of private school tuition, curricula for home school purposes, or

1 other such educational expenses in the case of an audit. This subsection
2 shall not be interpreted to require such receipts in the case of an audit or
3 limit evidence of qualification for said tax credit to only such receipts.

4 (6) A taxpayer claiming the school choice tax credit authorized by this
5 section shall attach a sworn statement to the tax return that each credit be-
6 ing claimed is for a student properly meeting the requirements of a qualify-
7 ing school-age child as defined in this section.

8 (7) This credit is available only to full-time Idaho residents with an
9 adjusted gross income under two hundred fifty thousand dollars (\$250,000).
10 A part-year resident is not entitled to a proportional credit under this sec-
11 tion.

12 (8) In no event shall more than one (1) taxpayer be allowed this credit
13 for the same qualifying child. In the case of divorced parents or parents who
14 do not live together, if the qualifying child is in the custody of one (1) or
15 both of the child's parents for more than half of a calendar year, such child
16 is the qualifying child of the custodial parent for the taxable year begin-
17 ning during such calendar year. However, the child may be the qualifying
18 child of the noncustodial parent if either of the following requirements are
19 met:

20 (a) A court of competent jurisdiction has unconditionally awarded, in
21 writing, to the noncustodial parent the tax benefits associated with
22 the child pursuant to section 32-706, Idaho Code, and the noncustodial
23 parent attaches a copy of the court order to the noncustodial parent's
24 income tax return for the taxable year; or

25 (b) The custodial parent signs a written declaration that such custo-
26 dial parent will not claim the credit of this section with respect to
27 such child for any taxable year beginning in such calendar year and the
28 noncustodial parent attaches such written declaration to the noncusto-
29 dial parent's income tax return for the taxable year beginning during
30 such calendar year.

31 SECTION 2. This act shall be in full force and effect on and after Jan-
32 uary 1, 2024.