



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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**Bill Number:** S. 907  
**Author:** Campsen  
**Subject:** Educational Tax Credit for Exceptional Needs Children  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Shuford  
**Impact Date:** January 22, 2016

**Estimate of Fiscal Impact**

	FY 2016-17	FY 2017-18
<b>State Expenditure</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
<b>State Revenue</b>		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
<b>Local Expenditure</b>	\$0	\$0
<b>Local Revenue</b>	\$0	\$0

**Fiscal Impact Summary**

This joint resolution would have no expenditure or revenue impact on the General Fund, Federal Funds, or Other Funds.

**Explanation of Fiscal Impact**

**State Expenditure**

This joint resolution extends the deadline for an independent school to apply to the Education Oversight Committee (EOC) for eligibility to receive contributions from individuals as tuition payments for exceptional needs children within their custody or care from August 1, 2015, to March 1, 2016. The EOC indicates that the consideration of any additional applications would have no expenditure impact on the General Fund, Federal Funds, or Other Funds.

**State Revenue**

This joint resolution may increase the number of institutions eligible to receive contributions from an individual as tuition for exceptional needs children within their custody. These individuals may claim a refundable tax credit against General Fund income taxes or bank taxes. The cumulative maximum total of these refundable credits may not exceed \$4 million. If the total credits claimed by all taxpayers exceed this limit, the Department of Revenue will allow the credits on a first-come, first-served basis. Therefore, the maximum credits allowed pursuant to Section 9 of Act 92 of 2015 will not increase above the \$4 million limit regardless of the number eligible independent schools.

When the Board of Economic Advisors (BEA) set the initial forecast for FY 2016-17 in November 2015, the forecast included an adjustment for the \$12 million cumulative total tax credits authorized by Section 9 of Act 92 of 2015. This adjustment included the \$4 million revenue impact of the refundable exceptional needs child tuition tax credit and the maximum \$8 million in tax credits allowed for donations to nonprofit scholarship organizations. Therefore, the proposed extension of the application date for independent schools to March 1, 2016, will have no further revenue impact on the General Fund.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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Frank A. Rainwater, Executive Director