

FISCAL NOTE

May 16, 2022

Bill No:	HB 602	Printer's No:	1451	Sponsor:	Owlett (R)
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COST / (SAVINGS)

Fund (s)	2021-22	2022-23
General Fund	\$15 million	\$15 million

SUMMARY: This bill amends the Public School Code providing for the Career and Technical Education Investment Incentive Program.

ANALYSIS: HB 602 creates the Career and Technical Education Investment Incentive Program within the Department of Community and Economic Development (DCED), which would allow eligible business firms to designate contributions to career and technical education programs with eligibility for a tax credit.

Eligible school entities may elect to participate annually. Career and technical education partnership organizations must certify eligibility annually.

DCED shall process and approve completed applications within 30 days unless all authorized tax credits have been awarded.

This bill creates a tax credit for contributions made to a career and technical education partnership organization limited to an annual total aggregate amount of \$15 million. The credit shall not exceed 75 percent of the total contribution by a business firm, or 90 percent with a two-year commitment, and shall not exceed \$750,000 annually. No credit shall be approved for activities in the firm's normal course of business.

This bill also requires an annual report to the General Assembly on the impact of the program.

FISCAL IMPACT: HB 602 has an annual fiscal impact of \$15 million in reduced tax revenue due to tax credits.