

108th CONGRESS  
1st Session  
**H. R. 385**

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for contributions to charitable organizations which provide scholarships for children to attend elementary and secondary schools.

**IN THE HOUSE OF REPRESENTATIVES**

**January 27, 2003**

Mr. SHADEGG introduced the following bill; which was referred to the Committee on Ways and Means

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**A BILL**

To amend the Internal Revenue Code of 1986 to allow a credit against income tax for contributions to charitable organizations which provide scholarships for children to attend elementary and secondary schools.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the 'Leave No Child Behind Tax Credit Act of 2003'.

**SEC. 2. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.**

(a) IN GENERAL- Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

**SEC. 30B. CREDIT FOR CONTRIBUTIONS TO CHARITABLE ORGANIZATIONS WHICH PROVIDE SCHOLARSHIPS FOR STUDENTS ATTENDING ELEMENTARY AND SECONDARY SCHOOLS.**

(a) ALLOWANCE OF CREDIT- There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the qualified charitable contributions of the taxpayer for the taxable year.

(b) MAXIMUM CREDIT- The credit allowed by subsection (a) for any taxable year shall not exceed \$250 (\$500, in the case of a joint return).

(c) QUALIFIED CHARITABLE CONTRIBUTION- For purposes of this section--

(1) IN GENERAL- The term 'qualified charitable contribution' means, with respect to any taxable year, the amount allowable as a deduction under section 170 (determined without regard to subsection (d)(1)) for cash contributions to a school tuition organization.

(2) SCHOOL TUITION ORGANIZATION-

(A) IN GENERAL- The term 'school tuition organization' means any organization described in section 170(c)(2) if the annual disbursements of the organization for elementary and secondary school scholarships are normally not

less than 90 percent of the sum of such organization's annual gross income and contributions and gifts.

`(B) ELEMENTARY AND SECONDARY SCHOOL SCHOLARSHIP- The term `elementary and secondary school scholarship' means any scholarship excludable from gross income under section 117 for expenses related to education at or below the 12th grade.

`(d) SPECIAL RULES-

`(1) DENIAL OF DOUBLE BENEFIT- No deduction shall be allowed under this chapter for any contribution for which credit is allowed under this section.

`(2) APPLICATION WITH OTHER CREDITS- The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of--

`(A) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over  
` (B) the tentative minimum tax for the taxable year.

`(3) CONTROLLED GROUPS- All persons who are treated as one employer under subsection (a) or (b) of section 52 shall be treated as 1 taxpayer for purposes of this section.

`(e) ELECTION TO HAVE CREDIT NOT APPLY- A taxpayer may elect to have this section not apply for any taxable year.'

(b) CLERICAL AMENDMENT- The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by adding at the end the following new item:

`Sec. 30B. Credit for contributions to charitable organizations which provide scholarships for students attending elementary and secondary schools.'

(c) EFFECTIVE DATE- The amendments made by this section shall apply to taxable years beginning after December 31, 2002.

### **SEC. 3. CONSTITUTIONAL AUTHORITY.**

The Constitutional authority upon which this Act rests is the power of Congress to lay and collect taxes and to regulate commerce with foreign nations and among the several States and with the Indian tribes, as set forth in section 8 of Article I of the United States Constitution.

*END*