

Education Tax Credit Information - Detail of Credits Claimed & Potential Contribution Cases, CY 2015 - CY 2017

Status Quo Case: Education Credit capped at \$5,000,000 per taxpayer. The credit is 50% of the first \$100,000, 100% of any amount over \$100,000 and up to \$300,000, and 50% of the remaining amount over \$300,000.

Data from CY 2015-2017	Claims <50K	Claims 50-250K	Claims >250K	Totals
Number of Credit Claims	46	42	28	116
Avg. Credit Claimed	19,277	194,660	487,652	195,834
Education Credit Claimed	886,743	8,175,702	13,654,257	22,716,702
Yearly Credit Claimed	295,581	2,725,234	4,551,419	7,572,234

Case 1: Education Credit capped at \$250,000 per taxpayer. The credit is 50% of the first \$100,000, and 100% of the next \$200,000. *This case represents the pre-2011 law that is scheduled to resume in 2021 if no changes are made.*

Data from CY 2015-2017	Claims <50K	Claims 50-250K	Claims >250K	Totals
Number of Credit Claims	46	42	28	116
Potential Credit Claimed	886,743	8,175,702	7,000,000	16,062,445
Yearly Credit Claimed	295,581	2,725,234	2,333,333	5,354,148

Case 2: Education Credit capped at \$1,000,000 per taxpayer. The credit is 50% of \$2,000,000 in contributions.

Data from CY 2015-2017	Claims <50K	Claims 50-250K	Claims >250K	Totals
Number of Credit Claims	46	42	28	116
Potential Credit Claimed	886,743	5,139,427	10,246,677	16,272,846
Yearly Credit Claimed	295,581	1,713,142	3,415,559	5,424,282

Case 3: Education Credit capped at \$2,500,000 per taxpayer. The credit is 50% of the first \$100,000, 75% of any amount over \$100,000 and up to \$300,000, and 50% of the remaining amount over \$300,000.

Data from CY 2015-2017	Claims <50K	Claims 50-250K	Claims >250K	Totals
Number of Credit Claims	46	42	28	116
Potential Credit Claimed	886,743	6,659,140	12,254,534	16,272,846
Yearly Credit Claimed	295,581	2,219,713	4,084,845	6,600,139

Case 4: Education Credit capped at \$1,000,000 per taxpayer. The credit is 50% of the first \$100,000, 75% of any amount over \$100,000 and up to \$300,000, and 50% of the remaining amount over \$300,000.

Data from CY 2015-2017	Claims <50K	Claims 50-250K	Claims >250K	Totals
Number of Credit Claims	46	42	28	116
Potential Credit Claimed	886,743	6,659,140	11,496,677	16,272,846
Yearly Credit Claimed	295,581	2,219,713	3,832,226	6,347,520

Note: This analysis does not account for potential changes in taxpayer behavior. The analysis reports education credits claimed under the different cases based on past (CY 2015 - CY 2017) taxpayer behavior.

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Purpose: Provide the number of companies that claimed certain amounts of education tax credit, as well as specific amounts taken by fiscal year. Also includes the number of companies within credit amount "brackets", by fiscal year.

Data Source: Education Tax Credit values are from the Tax Revenue Management System as of April 3, 2018.

Key Assumptions: This analysis reports the values of claimed education credits for CY 2015 through CY 2017. The outlined cases 1 and 2 use the data for the previously mentioned 3 calendar years and adapts the data to the constraints outlined by each case. This analysis does not account for potential changes in taxpayer behavior, rather the analysis reports education credits claimed under the different cases based on past (CY 2015 - CY 2017) taxpayer behavior.

Education Tax Credit Claimed amounts for each calendar year are based on returns that were received during the corresponding calendar year.

This analysis is customized and will not match cash revenue collections reported in other Department of Revenue reports and/or publications due to the methodology in developing the variables explained in the preceding paragraphs.

History: This is the second version of this analysis; This version includes two cases and was requested on April 24, 2018.

Disclaimer: The Department of Revenue is in the process of reviewing and updating the data on which this analysis is based. As a result, future analysis could have different results.

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