



## WISCONSIN CATHOLIC CONFERENCE

TO: Members of the Joint Committee on Finance

FROM: Kim Wadas, Associate Director, Education and Health Care

DATE: June 7, 2007

RE: Education Tax Credit Plan

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Tomorrow you will vote on a motion to provide education tax credits to families and businesses that support Wisconsin students and schools. The Wisconsin Catholic Conference supports these measures and urges you to do the same.

One portion of the initiative is to provide education tax credits for businesses that make contributions to scholarship-granting organizations or educational improvement organizations. The other offers tax credits for individuals who send their children to religious, independent, and charter schools.

*Education Grants and Scholarships.* Under this initiative, businesses receive a tax credit for contributions made to scholarship-granting organizations. These organizations in turn would provide scholarships to students wishing to attend any public or nonpublic school in Wisconsin. The scholarships granted under this program are targeted to students whose families have limited household incomes. Businesses may also elect to contribute to educational improvement organizations (EIOs) where funds are directed to public schools for innovative educational programs. In this way, businesses have the opportunity to help both students in need and schools excel in education.

*Tax Credit for Families.* This proposal creates a nonrefundable individual income tax credit for the eligible education expenses of K-12 students attending independent, religious, or charter schools. The maximum credit that could be claimed is \$2,500 per year if the taxpayer files as a single individual, head of household, or married person filing separately. The maximum credit would be \$5,000 per year if the claimant were a married person filing a joint return. This allows families to make educational choices without fear of financial restriction and increases educational opportunities in Wisconsin, expanding the diversity and potential of our students.

In previous debates over TABOR and parental choice, the Wisconsin Catholic Conference has argued that policies that support parents who choose public schools and schools operated by religious and independent organizations are not contradictory. Both types of policies support families. Both help students prepare for tomorrow. Both serve the common good. Both should be included in the 2007-09 state budget.

Your support for these initiatives is appreciated.