

REVENUE ESTIMATING CONFERENCE

TAX: Corporate
ISSUE: Sure Futures Postgraduate Scholarship Program
BILL NUMBER(S): CS SB 1222
SPONSOR(S): Committee on Commerce and Senator Ring
MONTH/YEAR COLLECTION IMPACT BEGINS: July 1, 2007
DATE OF ANALYSIS: April 19, 2007

SECTION 1: NARRATIVE

a. Current Law:

Corporate income tax credits are not provided to firms providing funds for employee postgraduate degrees.

b. Proposed Change:

S. 1009.893, F.S. is created to provide corporate income tax credits for firms (called corporate partners) that donate funds to the Sure Futures Postgraduate Scholarship Program. These corporate partners will conduct candidate screenings to select a student to fund. Upon graduation, the student will enter into employment by the corporate partner for four years. If a student withdraws from the program or does not complete the four year employment obligation, the scholarship will be converted to a low-interest loan.

The tax credit will be equal to the total amount of the contribution. After the sixth year of the program, the tax credit will equal 75% of the contribution amount. After the eleventh year, the tax credit will equal 50% of the contributed amount.

SECTION 2: DESCRIPTION OF DATA AND SOURCES

National Center of Education Statistics, U.S. Dept of Education
 Firm Size Distribution by Number of Employees, U.S. Census

SECTION 3: METHODOLOGY (INCLUDE ASSUMPTIONS AND ATTACH DETAILS)

The total contribution per student is the sum of the average 2004-05 figures for graduate tuition, fees, books and supplies, and room and board reported by the public state universities. The total contribution was grown by 5% annually.

SECTION 4: PROPOSED FISCAL IMPACT

State Impact—All Funds	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
High	(\$ 10 million)	(\$ 10 million)	(\$ 10 million)
Middle	(\$ 10 million)	(\$ 10 million)	(\$ 10 million)
Low	(\$ 5.8 million)	(\$ 5.4 million)	(\$ 6.1 million)

State Impact—All Funds	FY 2009-10 Cash	FY 2010-11 Cash
High	(\$ 10 million)	(\$ 10 million)
Middle	(\$ 10 million)	(\$ 10 million)
Low	(\$ 6.4 million)	(\$ 6.8 million)

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SECTION 5: CONSENSUS ESTIMATE (ADOPTED 4 / 21 / 07) The conference adopted the middle estimate.

	FY 2007-08 Annualized	FY 2007-08 Cash	FY 2008-09 Cash
General Revenue	(10.0)	(10.0)	(10.0)
Total State Impact	(10.0)	(10.0)	(10.0)
Total Local Impact			
Total Impact	(10.0)	(10.0)	(10.0)

	FY 2009-10 Cash	FY 2010-11 Cash
General Revenue	(10.0)	(10.0)
Total State Impact	(10.0)	(10.0)
Total Local Impact		
Total Impact	(10.0)	(10.0)

CS SB 1222: Sure Futures Postgraduate Scholarship Program

Source: National Center for Education Statistics, U.S. Dept. of Education

School	Doctors degree	Masters degree	Total Graduate Degrees	In-state average tuition full-time graduates	In-state required fees for full-time graduates	Books and supplies 2004-05	On campus room and board 2004-05	Scholarship \$ amount
Gooding	0	10	10	\$13,500	\$1,000		NA	\$14,500
UCF	132	1,804	1,936	\$4,606	\$1,057	\$828	\$7,398	\$13,889
Chipola	0	0	0			\$800	\$4,560	NA
FAMU	24	401	425	\$4,326	\$1,002	\$1,400	\$5,384	\$12,112
FAU	51	1,047	1,098	\$3,439	\$739	\$686	\$6,433	\$11,297
FIU	78	1,883	1,961	\$4,607	\$1,088	\$1,140	\$7,341	\$14,176
FSAU	271	1,536	1,807	\$4,434	\$934	\$800	\$7,266	\$13,434
UF	694	2,961	3,655	\$4,607	\$877	\$790	\$6,040	\$12,314
MDC	0	0	0			\$1,500		NA
UNF	5	550	555	\$4,575	\$992	\$800	\$6,278	\$12,645
OWC	0	0	0			\$1,475		NA
St. Pete	0	0	0			\$1,000		NA
USF	179	2,042	2,221	\$4,607	\$1,061	\$800	\$6,730	\$13,198
UWF	24	349	373	\$4,607	\$944	\$800	\$6,294	\$12,645
NCF	0	0	0			\$800	\$5,965	NA
FGCU	0	232	232	\$4,326	\$943	\$700	\$6,010	\$11,979
TOTAL	1,458	12,815	14,273					
GRADUATE AVERAGE				\$5,239	\$967	\$874	\$6,339	\$12,926

5% growth

Percentage of Participating Firms

Firms	High	Middle	Low	Size of firm	Total # of Firms
Large	15%	10%	10%	Large (>= 500 employees)	4,102
Medium	5%	5%	0%	Medium (100 - 499 employees)	6,661
Small	0%	0%	0%	Small (1 - 99 employees)	360,541

Scholarships	948	743	410
% of students	7%	5%	3%

	High	Middle	Low
2007-08	\$13,515,140	\$10,592,216	\$5,845,849
Cash 2007-08	\$12,388,879	\$9,709,531	\$5,358,695
2008-09	\$14,190,897	\$11,121,827	\$6,138,141
2009-10	\$14,900,442	\$11,677,918	\$6,445,048
2010-11	\$15,645,464	\$12,261,814	\$6,767,301