



HB 517 Bill Summary (Version LC 49 0545S)

[HB 517](#) takes several steps toward much-needed transparency for Georgia's tax credit private school voucher program but leaves many aspects of the program unclear.* The bill, introduced in 2021 by Rep. John Carson (R-Marietta), follows a comprehensive review of the voucher program by the Georgia Department of Audits. [The 2021 audit](#) was undertaken at the request of the House Appropriations Committee. Though HB 517 contains some of the key action steps outlined in the audit report, [it lacks other steps that should be undertaken by the Georgia Department of Revenue \(DOR\), the General Assembly, or student scholarship organizations \(SSOs\)](#). SSOs are the pass-through entities that receive donations and issue private school vouchers.

What Does HB 517 Seek to Change Regarding Existing State Law?

The current version of HB 517 seeks to amend [OCGA 20-2A-2](#), to implement the following steps outlined in the audit report:

- Amend OCGA 48-7-29.16 to allow education tax credits to be used by certain insurance companies against their tax liability
- Increase the tax credit limit available to individuals, heads of household, married couples filing joint returns, and individuals who are members of certain limited liability companies, shareholders of Subchapter "S" corporations, or partners in a partnership
- Include earned interest in the calculation of minimum revenue obligations for tuition tax credit voucher scholarships and tuition grants
- Require that student scholarship organization audits are conducted in accordance with generally accepted auditing standards
- Expand of the scope of audits
- Create a deadline by which audits must be reported to the Georgia Department of Revenue
- Require that student scholarship organizations immediately notify the Department of Education, if the Department of Revenue ceases preapproving contributions to student scholarship organizations
- Require student scholarship organizations to annually submit Form 990s to the Department of Revenue
- Provide that student scholarship organizations are solely responsible for verifying student eligibility
- Expand some public reporting requirements

What Action Steps Reflected in the State Audit Are Missing from HB 517?

- A DOR requirement that taxpayers identify the pass-through entities from which they are claiming income.
- Legislation from the General Assembly to define a reliable ratio of administrative revenues to administrative expenses to be calculated by SSOs.
- Legislation from the General Assembly that would require data reported by SSOs to be attested to so that it is independently verified.
- HB 517 also excludes action steps the audit department states should be considered by the General Assembly to improve transparency and accountability of the SSO voucher program. These include:
 - Require SSOs to submit supporting data that would allow the state to verify the accuracy of summary reports from SSOs.
 - Modify existing law to allow state agencies access to SSO data to undertake a more complete evaluation of fund management and scholarship distribution practices and compliances.
 - Change existing law to require reporting of information about students participating in the SSO voucher program.

**PAGE has long supported changes to Georgia's tuition tax credit private school voucher program which increase fiscal transparency and academic accountability. For more on why, check out PAGE resources [HERE](#) and [HERE](#).*