

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-3-60-04

Rule Title: Calculation of Average Annual Cost of Attendance for a Public K-12 Student

New; Amend; Repeal; Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? No

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed rule have any economic impact? Yes

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975 and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Reference Service.

Signature of certifying officer *Michael D. Ruff* **REC'D & FILED**
AUG 21 2013

Date 8/20/13

APA-6
10/96

**ECONOMIC IMPACT STATEMENT
FOR APA RULE
(Section 41-22-23(f))**

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-60-.04

Rule Title: Calculation of Average Annual Cost of Attendance for a Public K-12 Student

New Amend Repeal Adopt by Reference

NO

This rule has no economic impact.

YES

This rule has an economic impact, as explained below:

1. NEED/EXPECTED BENEFIT OF RULE:
This rule is needed to provide guidance related to the Accountability Act of 2013
2. COSTS/BENEFITS OF RULE AND WHY RULE IS THE MOST EFFECTIVE, EFFICIENT, AND FEASIBLE MEANS FOR ALLOCATING RESOURCES AND ACHIEVING THE STATED PURPOSE:
The rule is implementing provisions of the Accountability Act of 2013 and has no further impact beyond that provided for within the Act.
3. EFFECT OF THIS RULE ON COMPETITION:
N/A
4. EFFECT OF THIS RULE ON COST OF LIVING AND DOING BUSINESS IN THE GEOGRAPHICAL AREA WHERE THE RULE IS TO BE IMPLEMENTED:
N/A
5. EFFECT OF THIS RULE ON EMPLOYMENT IN THE GEOGRAPHICAL AREA HERE THE RULE IS TO BE IMPLEMENTED:
N/A
6. SOURCE OF REVENUE TO BE USED FOR IMPLEMENTING AND ENFORCING THIS RULE:
Education Trust Fund, Department of Revenue budget
7. THE SHORT-TERM/LONG-TERM ECONOMIC IMPACT OF THIS RULE ON AFFECTED PERSONS, INCLUDING ANALYSIS OF PERSONS WHO WILL BEAR THE COSTS AND THOSE WHO WILL BENEFIT FROM THE RULE:

The rule is implementing provisions of the Accountability Act of 2013 and has no further impact beyond that provided for within the Act.

8. UNCERTAINTIES ASSOCIATED WITH THE ESTIMATED BENEFITS AND BURDENS OF THE RULE, INCLUDING QUALITATIVE/QUANTITATIVE BENEFITS AND BURDEN COMPARISON:
The rule is implementing provisions of the Accountability Act of 2013 and has no further impact beyond that provided for within the Act.
9. THE EFFECT OF THIS RULE ON THE ENVIRONMENT AND PUBLIC HEALTH:
N/A
10. DETRIMENTAL EFFECT ON THE ENVIRONMENT AND PUBLIC HEALTH IF THE RULE IS NOT IMPLEMENTED:
N/A
11. OTHER COMMENTS:
N/A

APA-2
11/96

**ALABAMA DEPARTMENT OF REVENUE
Tax Policy & Research Division**

NOTICE OF INTENDED ACTION

RULE NO. & TITLE

810-3-60-.04 Calculation of Average Annual Cost of Attendance for a Public K-12 Student

INTENDED ACTION: Adopt new rule

SUBSTANCE OF PROPOSED ACTION: The department proposes to adopt the above new rule to provide guidance regarding the statutory requirements of the Alabama Accountability Act of 2013.

TIME, PLACE, MANNER OF PRESENTING VIEWS: A public hearing will be held at **2:00 p.m. on Thursday, October 10, 2013, Room 1203, First Floor**, Gordon Persons Building, located at 50 N Ripley Street, Montgomery, Alabama. Copies of the rule(s) can be obtained at www.revenue.alabama.gov/rulehear.html.

All interested parties may present their views in writing to the **Secretary of the Alabama Department of Revenue, Room 4131, Gordon Persons Building, 50 N Ripley Street, Montgomery, Alabama 36132** at any time during the thirty-five (35) day period following publication of the notice or by appearing at the hearing.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:
Thursday, October 10, 2013

CONTACT PERSON AT AGENCY:

Patricia Toles
Alabama Department of Revenue
4131 Gordon Persons Building
Montgomery, Alabama 36132
(334) 242-1380



Michael D. Gamble, Secretary
Alabama Department of Revenue

0906APC.INT

810-3-60-.04 Calculation of Average Annual Cost of Attendance for a Public K-12 Student. (NEW RULE)

(1) Scope. This rule is issued pursuant to Section 16-16D-1, Code of Alabama 1975, to provide guidance to parents who are eligible to claim a refundable income tax credit under the Alabama Accountability Act of 2013.

(2) For purposes of calculating the 80% of the average annual cost of attendance for a public K-12 student limitation as referenced in Rule 810-3-60-.01, the Department of Finance will provide the amounts of the average state cost of attendance for a public K-12 student for each fiscal year pertaining to the current school year.

(a) For example, the Department of Finance will provide the average state annual cost of attendance for a public K-12 student for fiscal year ending September 30, 2013 and fiscal year ending September 30, 2014 for purposes of determining the average cost of attendance for the 2013-2014 school year.

(b) To determine the average cost of attendance for the 2013-2014 school year, the Department shall calculate this number by multiplying 80% of the FY 2013 cost of attendance by 9/12 and 80% of the FY 2014 cost of attendance by 3/12.

(c) For the 2013-2014 school year, the 80% of the average annual cost of attendance for a public K-12 student is calculated as follows:
 $(\$3,538 \times 9/12) + (\$3,639 \times 3/12) = \$3,563$

(3) This number will be updated annually based upon the average state cost of attendance for a public K-12 student, as determined by the Department of Finance, by using the methodology stated within this rule.

Author: Brandee Tickle
Authority: Sections 40-2A-7(a)(5) and 16-16D-1, Code of Alabama 1975
History: