

TRANSMITTAL SHEET FOR  
NOTICE OF INTENDED ACTION

Control 810 Department or Agency REVENUE

Rule Nos. 810-3-61-.01

Rule Title: Definition of Terms and Phrases used in Connection with the Scholarship Program

XX 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. Smith*

Date 6/20/13

APA-6  
10/96

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

Control No. 810 Department or Agency REVENUE

Rule No: 810-3-61-.01

Rule Title: Definition of Terms and Phrases Used Connection with the Scholarship Program

New  Amend  Repeal  Adopt by Reference

- NO  
 YES

This rule has no economic impact.

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

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

**NOTICE OF INTENDED ACTION**

**RULE NO. & TITLE**

810-3-61-.01	Definition of Terms and Phrases used in Connection with the Scholarship Program
810-3-61-.02	Credits for Contributions to Scholarship Granting Organizations (SGOs)
810-3-61-.03	Application of Scholarship Granting Organizations (SGOs) for Participation in the Scholarship Program
810-3-61-.04	Receipt, Maintenance and Disbursement of Scholarship Funds by Scholarship Granting Organizations (SGOs)
810-3-61-.05	Annual Report of Scholarship Granting Organizations (SGOs)
810-3-61-.06	Notice of Nonpublic School to DOR of its Intention to Participate in the Scholarship Program

**INTENDED ACTION:** Adopt new rules

**SUBSTANCE OF PROPOSED ACTION:** The department proposes to adopt the above new rules 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 **9:00 a.m. on Thursday, August 8, 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](http://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, August 8, 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

0901APC.INT

810-3-61-.01 Definition of Terms and Phrases used in Connection with the Scholarship Program. **(NEW RULE)**

(1) Scope: Act 2013-64, as amended by Act 2013-265, provides for income tax credits to individuals and corporations making scholarship donations to Scholarship Granting Organizations (SGOs.) This rule defines certain terms and phrases used in connection with the program.

(2) "**Department**" shall mean the Alabama Department of Revenue.

(3) "**Scholarship funds unaccounted for**" shall mean the amount of scholarship funds which have not been paid out, promised or otherwise committed for a particular student, as of a given date.

(4) "**Previous school year**" means the normal academic year ending during the calendar year for which the report is submitted. If, however, an educational scholarship is granted at a time other than the fall term of an academic year, the prior school year shall mean the twelve month period immediately preceding the period for which the educational scholarship is granted.

(5) "**Household**" has the same meaning as the term "household" as used by the U.S. Department of Commerce in its reporting and publication of household income amounts, regardless of any relationship between a particular house member to the primary house member or any other house member.

(6) "**Household Income**" has the same meaning as the phrase "household income" as used by the U.S. Department of Commerce in its reporting and publication of household income amounts, including amounts taxable for federal income tax purposes as well as certain other amounts which may be nontaxable.

(7) "**Median Household Income**" means the median income amount reported for the State of Alabama by the Census Bureau of the U.S. Department of Commerce in its most recent annual Statistical Abstract of the United States, Table 706, Household Income-Distribution by Income Level and State. The amount reported for Alabama in the 2012 Statistical Abstract, for the most recent year, calendar year 2009, is \$40,489.

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