

105TH CONGRESS  
2D SESSION

# H. R. 4247

To allow a credit against income tax for contributions used for the construction and renovation of public schools in certain high school districts.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 16, 1998

Mr. COSTELLO (for himself and Mr. POSHARD) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To allow a credit against income tax for contributions used for the construction and renovation of public schools in certain high school districts.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CREDIT FOR CONTRIBUTIONS TO CERTAIN**  
4 **HIGH SCHOOL DISTRICTS.**

5 (a) IN GENERAL.—For purposes of section 38 of the  
6 Internal Revenue Code of 1986, the current year business  
7 credit shall include the credit determined under this sec-  
8 tion.

9 (b) DETERMINATION OF CREDIT.—The credit deter-  
10 mined under this section for each taxable year in the credit

1 period is an amount equal to 7 percent of each qualified  
2 contribution made by the taxpayer.

3 (c) CREDIT PERIOD.—For purposes of this section,  
4 the credit period with respect to any qualified contribution  
5 is the period of 10 taxable years beginning with the tax-  
6 able year during which such contribution was made.

7 (d) QUALIFIED CONTRIBUTION.—For purposes of  
8 this section—

9 (1) IN GENERAL.—The term “qualified con-  
10 tribution” means any transfer of cash—

11 (A) which is made to a selected high school  
12 district during the 5-year period beginning on  
13 the date such district is selected for purposes of  
14 this section,

15 (B) which is available for use by such dis-  
16 trict for at least 10 years,

17 (C) which is to be used by such district to  
18 construct, renovate, or repair a high school fa-  
19 cility which serves grades 9 through 12, and

20 (D) which is designated by such district  
21 for purposes of this section.

22 (2) LIMITATION ON AMOUNT DESIGNATED.—  
23 The aggregate amount of contributions to a selected  
24 high school district which may be designated under

1 this section by such district shall not exceed the less-  
2 er of)

3 (A) \$36,000,000, or

4 (B) 70 percent of the cost of the construc-  
5 tion, renovation, or repair referred to in para-  
6 graph (1)(C).

7 (e) SELECTED HIGH SCHOOL DISTRICT.—

8 (1) IN GENERAL.—For purposes of this section,  
9 the term “selected high school district” means any  
10 high school district selected by the Secretary of Edu-  
11 cation.

12 (2) NUMBER OF DISTRICTS SELECTED, ETC.—

13 (A) IN GENERAL.—The Secretary of Edu-  
14 cation may designate 4 high school districts for  
15 purposes of this section, subject to the availabil-  
16 ity of eligible high school districts. Such selec-  
17 tions shall be made before October 1, 1998.

18 (B) MINIMUM SELECTION.—At least 1  
19 high school district selected under this section  
20 shall be a high school district—

21 (i) which is outside a metropolitan  
22 statistical area,

23 (ii) which has been designated as a  
24 Champion Community by the Department  
25 of Agriculture under the Empowerment

1           Zone and Enterprise Community program,  
2           and

3                   (iii) which proposes to use contribu-  
4           tions under this section to construct a high  
5           school facility in a municipality having a  
6           population of less than 30,000.

7           (3) SELECTED HIGH SCHOOL DISTRICTS MUST  
8           HAVE CERTAIN CHARACTERISTICS.—A high school  
9           district may be selected under this section only if—

10                   (A) the high school facility proposed to be  
11           constructed, renovated, or repaired by such dis-  
12           trict with contributions to which this section ap-  
13           plies is located in a municipality with—

14                           (i) a poverty rate of at least 45 per-  
15                           cent, and

16                           (ii) a per capita income of \$9,000 or  
17                           less,

18                   (B) it is reasonably expected that at least  
19           20 percent of the students to be enrolled in  
20           such facility (for the first school year beginning  
21           after the completion of such construction, ren-  
22           ovation, or repair) will be students who applied,  
23           and were determined to be eligible, for free or  
24           reduced-price meals during the 1997–98 school  
25           year under the eligibility guidelines of the De-

1           partment of Agriculture applicable to the 1-year  
2           period beginning July, 1, 1997, and

3           (C) such facility will, in addition to being  
4           used as a high school, be used for community  
5           recreational and other community purposes.

6           A facility shall not fail to be treated as a high school  
7           facility for purposes of this section by reason of com-  
8           munity use.

9           (4) POPULATION AND POVERTY RATE.—Popu-  
10          lation and poverty rate shall be determined by the  
11          1990 Census of Population and Housing.

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