

HOUSE RESEARCH

Bill Summary

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Subject: Removes family cap for income tax credit for K-12 education expenses

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Overview

Removes the \$2,000 per family limit on the K-12 education credit, instead allowing taxpayers to claim up to \$1,000 of credit for each child in grades K-12. Extends the credit phaseout by \$2,000 for each additional child for whom the credit is claimed.

Section

- 1** **K-12 education credit.** Removes the \$2,000 per family limit for the K-12 education credit. The maximum credit per child would remain at \$1,000, but for an unlimited number of children. Retains the credit phaseout at the rate of \$1 for each \$4 of household income over \$33,500 for families claiming the credit for one child, and at the rate of \$2 for each \$4 of household income for families claiming the credit for two or more children. The credit would fully phase out for incomes between \$33,500 and \$37,500 for families with one or two children, and the phaseout would extend by an additional \$2,000 of income for each additional child for whom the credit is claimed.

Under current law, the K-12 education credit is subject to limits of \$1,000 per child and \$2,000 per family. The credit begins to phase out when household income reaches \$33,500, and is not available to families with incomes over \$37,500. The credit equals 75 percent of qualifying expenses.