

810-3-61-.01 Definition of Terms and Phrases used in Connection with the Scholarship Program.

(1) Scope: Act 2013-64, as amended by Acts 2013-265 **and 2015-434**, 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) "Eligible Student" is a member of a family consisting of at least two or more related persons who reside together with an annual income equal to or less than 185% the federal poverty level. The SGO must determine the eligibility of each student every other academic year in which the student receives an educational scholarship. If the annual income of the scholarship recipient's family should exceed 185 percent of the federal poverty level, the student will remain eligible until such a time as the annual income of the student's family exceeds 275 percent of the federal poverty level or the age of 19 is reached.

(3) "Academic Year" shall refer to the 12-month period beginning on July 1 and ending on the following June 30.

~~(2)~~ **(4) "Department"** shall mean the Alabama Department of Revenue.

~~(3)~~ **(5) "Educational Scholarship" is a grant made by a scholarship granting organization to an eligible student to cover all or part of the tuition and mandatory fees for one academic year subject to the scholarship limits of \$6000 for elementary schools, \$8000 for middle schools, and \$10,000 for high schools; but not in excess of the nonpublic schools normal published prices or state appropriations for public school students.**

(6) "SCHOLARSHIP GRANTING ORGANIZATION" is an organization that provides or is approved to provide educational scholarships to eligible students attending qualifying schools of their parents' choice.

~~(3)~~ **(7) "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)~~ **(8) "Previous school year"** means the normal academic year ending **immediately prior to during** the **academic 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)~~ **(9) "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) (10) "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) (11) "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.~~

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