

HOUSE RESEARCH

Bill Summary

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Subject: Income tax subtraction for national service educational awards

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Overview

Provides an individual income tax subtraction for national service education awards, also referred to as "YouthWorks" scholarships.

Section

- 1 Subtractions from taxable income; national service education awards.** Provides an individual income tax subtraction for national service education awards, also referred to as "YouthWorks" scholarships.

Background. An income tax subtraction was allowed for these awards for tax years 1997 through 2004. In 2005, this subtraction was repealed with the understanding that the scholarships were no longer being awarded, making the subtraction obsolete. While state funding for scholarships had been discontinued, it has been supplanted by federal funding, with the result that the subtraction was not obsolete. This section would reinstate the subtraction that was in effect from 1997 to 2004.