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Dear Catholic school parents and friends of Catholic schools,

On Wednesday, January 4, the Missouri General Assembly convened for the 2012 legislative session. Throughout this session the Missouri Catholic Conference will be sending you periodic updates on legislation that could benefit our Catholic school families. (The Missouri Catholic Conference is the public policy agency for the Catholic Bishops of Missouri.) At this point we see three major education related issues being discussed during this year's session.

First, legislation has been filed to provide a tax deduction to parents for their children's K-12 school expenses. Attached find a Question and Answer on HB 1133, which is sponsored by State Representative Jay Barnes (R-Jefferson City). This Question and Answer is intended to educate you on this issue. You can read the text of the bill and other information by clicking here. As this legislation begins to move in the process you will receive Action Alerts asking for contacts to state legislators.

Second, legislation has been introduced popularly known as the "Turner Fix"—SB 456—sponsored by Senator David Pearce (R-Warrensburg)—that establishes procedures for the transfer of students from unaccredited school districts to accredited school districts in the same or an adjoining county. In its current form the bill only allows transfers to other **public** schools. The MCC will be seeking amendments to allow students in these failing school districts to transfer to nonpublic schools, including Catholic schools. If the MCC amendment is adopted, for example, the legislation will allow children in the St. Louis school district to attend city Catholic schools instead of being bussed out to St. Louis County.

Third, the MCC is working on legislation that has yet to be introduced that would repeal the so called "Blaine" amendment to the Missouri Constitution, Section 8 Article IX, which reads as follows:

> **Section 8. Prohibition of public aid for religious purposes and institutions.—**
> Neither the general assembly, nor any county, city, town, township, school district or other municipal corporation, shall ever make an appropriation or pay from any public fund whatever, anything in aid of any religious creed, church or sectarian purpose, or to help to support or sustain any private or public school, academy, seminary, college, university, or other institution of learning controlled by any religious creed, church or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the state, or any county, city, town, or other municipal corporation, for any religious creed, church, or sectarian purpose whatever.

This amendment was added to the Missouri Constitution in 1870 in a very anti-Catholic bigoted election campaign. The MCC's Executive Director Mike Hoey wrote an article regarding the campaign that was published in the Missouri Historical Review in July 2001. To read this article click here and go to page 372. This amendment to the Missouri Constitution has been used to argue against many forms of assistance to Catholic school families. It is a vestige of the anti-Catholic bigotry of the nineteenth century and should be removed from our state constitution.

The Missouri Catholic Conference will keep you posted on these and other educational issues as the 2012 legislative session progresses.

QUESTIONS AND ANSWERS
Education Tax Deduction – HB 1133

State Representative Jay Barnes (R-Jefferson City) has filed legislation (HB 1133) to assist K-12 school parents with their children's educational expenses. The bill has been introduced for consideration during the 2012 session of the Missouri General Assembly.

Who could claim the deduction?

Any school parent who pays tuition, attendance fees or incurs other educational expenses for a dependent to attend any K-12 school situated in Missouri, including public, private or religious schools.

What school-related expenses could be claimed?

Costs incurred for educational software that assists a dependent in improving knowledge in core curriculum areas of the school attended; fees for after-school enrichment programs; school fees and tuition; school supplies required for use during the regular school day; and tutoring.

How much could be claimed?

Up to $2500 *per* dependent. If less than $2500 in expenses is incurred for a dependent, then only that lesser amount could be claimed; for example, a deduction of $1000 could be claimed if the expenses for the dependent equaled $1000.

Would a $2500 deduction reduce taxes by $2500?

No. The deduction would reduce by $2500 the income subject to taxation. Taxes are paid on a person's adjusted gross income. A deduction reduces a person's adjusted gross income. In Missouri the tax on income over $9,000 is calculated at six percent. Hence, the actual tax savings on a $2500 deduction would be $150.

So $150 is the total tax savings?

The tax savings would be more if the parents claim the deduction for more than one dependent. For example, if the parents claimed the full $2500 deduction for each of three dependents, they would realize tax savings of $450 (3 x $150).

Do other Midwestern states provide tax breaks to parents for school-related expenses?

Yes. Iowa, Illinois, and Minnesota all offer parents tax breaks for education-related expenses incurred at public, private or religious schools.

Has the U.S. Supreme Court ever ruled on school tax deductions or credits?

Yes. In *Mueller v. Allen*, 463 US 388 (1983), the U.S. Supreme Court upheld as constitutional a Minnesota law that provided a state income tax deduction for K-12 educational expenses. The court concluded that such a tax program had the secular purpose of promoting an educated citizenry.

Does the Missouri constitution prohibit aid to religious schools?

The Missouri constitution prohibits the state from paying funds to religious schools, but the proposed deduction is not claimed by schools but by parents and it is parents who realize the tax savings. Nothing in the Missouri constitution prohibits the state from promoting the education of its citizens through the state tax code.

Would this deduction take money away from public schools?

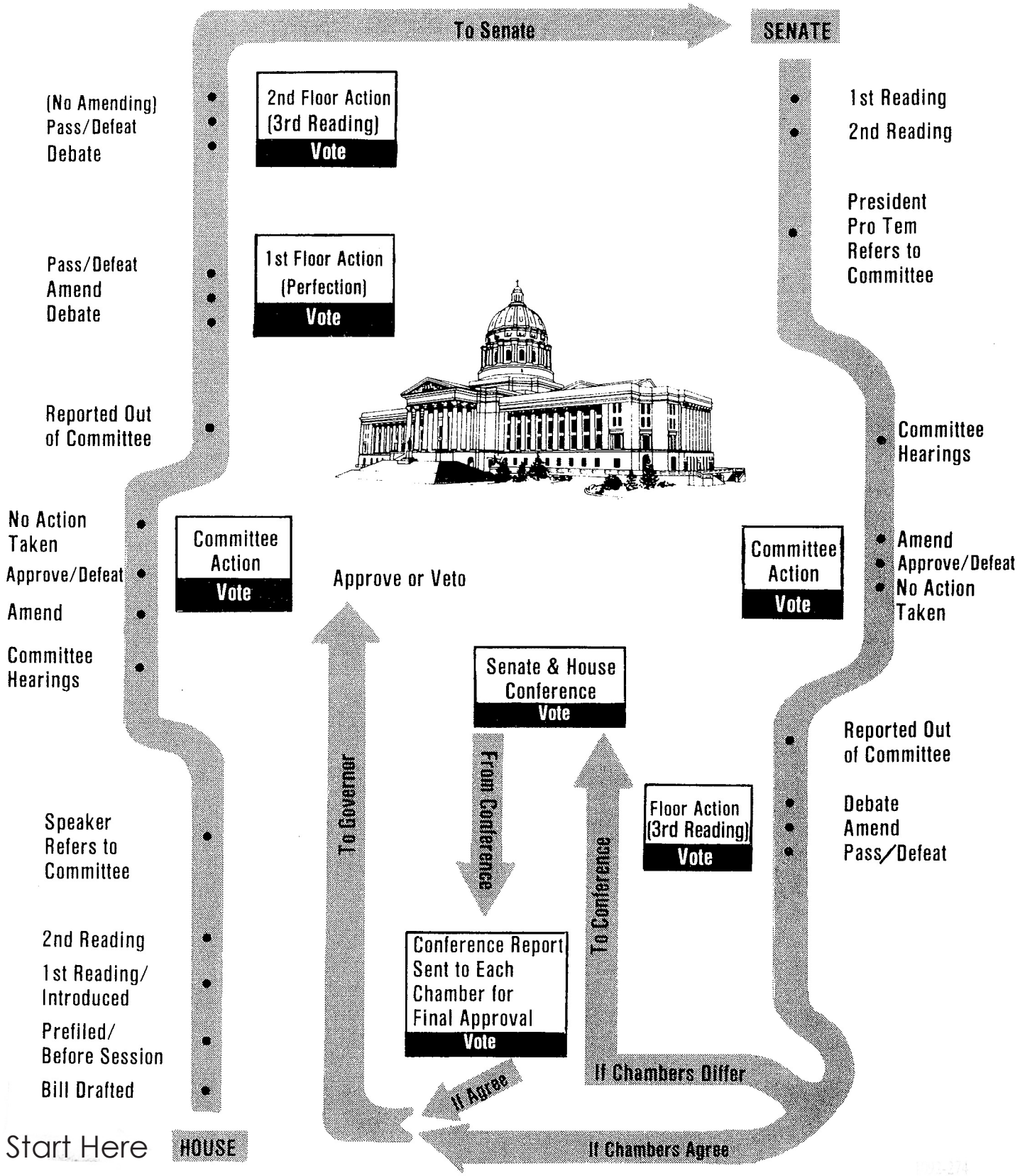
No. The deduction would neither reduce state aid for public schools nor reduce local tax support for public schools. It would be similar to the existing deduction parents claim for their dependents - the dependency exemption. And no one suggests the dependency exemption threatens public schools.

Why does this deduction merit support?

It promotes the education of Missouri school children. States like Iowa, Illinois and Minnesota that fund their public schools better than Missouri *also* offer parents tax relief for K-12 educational expenses.

What can I do to promote passage of HB 1133?

Contact your state representative and urge his/her support for HB 1133. If you don't know who your legislator is visit the MCC website at www.mocatholic.org and click "Find Your Legislator." In addition to contacting your state representative, tell your friends and neighbors about HB 1133. Give them a copy of this Questions and Answers and ask them to contact their state representative. Follow the progress of HB 1133 through communications from the MCC and visiting the MCC website.

How a Bill Becomes a Missouri Law

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