

Tax-credit programs may be jeopardized

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Faith & Family

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WASHINGTON (CNS) — A June 14 Supreme Court ruling that said taxpayers can use federal courts to challenge state taxes could jeopardize tuition tax-credit programs which benefit parents of private-school students in Arizona and other states.

The 5-4 ruling focused on a group of Arizona taxpayers who sued their state in federal court, arguing that the state's tuition tax credits promote religion.

Since 1997, Arizona has allowed residents to allocate tax contributions to help with school tuition fees. Instead of providing school vouchers, the state offers individuals a \$500 tax credit and couples a \$625

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tax credit if they contribute to a private charity that uses the money to pay tuition for eligible students at a private school.

The Arizona Supreme Court ruled in favor of the program five years ago, and Ronald Johnson, executive director of the Arizona Catholic Conference, public policy arm of the state's bishops, was confident the U.S. Supreme Court would uphold the decision.

"I hoped we would put the final nail in the coffin on this," he told Catholic News Service, in reference

to ending the constant legal battles the tax-credit program has faced. "But unfortunately, that didn't happen," he added.

"Now we've opened the door again," he said, noting that the issue will be fought at federal courts and will make its way again to the Supreme Court.

Johnson said he was "somewhat surprised, but not shocked by the decision." But, he added, "in taking the longer view of it, we're still in business."

He said the court did not put an injunction on the tax-credit program, but simply said such programs could be challenged on the federal level.

In the Supreme Court case, *Hibb v. Winn, Arizona* was supported by the Bush administration and 40 other

states that wanted their tax decisions protected from federal lawsuits.

A District Court judge ruled that a 1937 federal law prevented him and other federal judges from interceding in state tax matters. But the U.S. Supreme Court said laws that keep federal courts from interfering in internal state tax matters do not apply in the case of tuition tax credits.

Justice Ruth Bader Ginsburg, writing for the majority, said that for the past 50 years courts including the Supreme Court "have entertained challenges to tax credits authorized by state law."

But Justice Anthony M. Kennedy, who wrote a dissent, said "state courts are due more respect than this."



Mike Crupi/Catholic Courier

A brush up on brushing

Five-year-old Rashim Peterson, a kindergarten student at Rochester's St. Monica School, brushes up on proper dental care March 18 during the school's science fair. The booth Rashim visited was sponsored by the University of Rochester Eastman Dental Center.

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