

CREDIT FOR CONTRIBUTIONS TO CHILD CARE

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Leonard M. Blackham

AN ACT RELATING TO REVENUE AND TAXATION; PROVIDING A CREDIT FOR CONTRIBUTIONS BY CORPORATIONS TO CHILD CARE PROVIDERS.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

59-7-614, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **59-7-614** is enacted to read:

59-7-614. Credit for contributions to child care providers.

(1) As used in this section:

(a) "Care to children" has the same meaning as in Title 26, Chapter 39, Utah Child Care Licensing Act.

(b) "Child care" is as is defined in Title 26, Chapter 39, Utah Child Care Licensing Act.

(c) "Licensed child care provider" means a person:

(i) other than the taxpayer;

(ii) who, under Title 26, Chapter 39, Utah Child Care Licensing Act:

(A) possesses a license;

(B) possesses a residential child care certificate;

(C) is exempt from licensure under Subsections 26-39-106(1) through (3) or Subsection 26-39-106(6); or

(D) meets a combination of Subsections (1)(c)(ii)(A) through (C); and

(iii) whose business of providing or administering child care or care to children is not owned either wholly or in part by the taxpayer.

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28 (d) "Qualified contribution" means the value of the portion of a contribution, donation,
30 gift, or other transfer:

31 _____

31 (A) tangible personal property;

(B) real property, including improvements to real property; or

33 _____

34 to real property:

35 (ii) by the taxpayer to a licensed child care provider;

36 (iii) for which the taxpayer does not receive payment or other consideration from the
37 licensed child care provider;

38 (iv) made during the taxable year; and

39 (v) for which the taxpayer receives from the licensed child care provider a signed
40 statement certifying that the contribution, donation, gift, or other transfer will be used for providing
41 or administering child care or care to children.

42 (2) For taxable years beginning on or after January 1, 2000, but beginning before January

43 1, 2005, a taxpayer may claim § , TO THE EXTENT THE TAXPAYER DOES NOT DEDUCT THE

43a QUALIFIED CONTRIBUTION ON THE TAXPAYER'S FEDERAL CORPORATE INCOME TAX RETURN, §

a

43b nonrefundable credit not exceeding the lesser of:

44 (a) 25% of a qualified contribution; or

45 (b) \$10,000.

46 (3) A taxpayer may not carry forward or carry back a credit provided for under this section.

47 (4) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
48 commission shall make rules to implement this section, including methods for establishing the
49 value of a contribution, donation, gift, or other transfer of property.

Legislative Review Note
as of 11-23-98 11:11 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel

Committee Note

The Health and Human Services Interim Committee recommended this bill.

Committee Note

The Workforce Services Interim Committee recommended this bill.