

1 **INDIVIDUAL INCOME TAX AND CORPORATE FRANCHISE**
2 **AND INCOME TAX CREDITS - CONTRIBUTIONS TO**
3 **PROVIDERS OF SERVICES TO PERSONS WITH DISABILITIES**

4 2000 GENERAL SESSION

5 STATE OF UTAH

6 **Sponsor: Robert F. Montgomery**

7 AN ACT RELATING TO CORPORATE FRANCHISE AND INCOME TAXES AND THE
8 INDIVIDUAL INCOME TAX ACT; MODIFYING AND INCREASING INDIVIDUAL INCOME
9 TAX AND CORPORATE FRANCHISE AND INCOME TAX CREDITS FOR CASH
10 CONTRIBUTIONS TO PRIVATE NONPROFIT PROVIDERS OF SERVICES TO PERSONS
11 WITH DISABILITIES; AND MAKING TECHNICAL CHANGES.

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

13 AMENDS:

14 **59-7-602**, as enacted by Chapter 169, Laws of Utah 1993

15 **59-10-108**, as last amended by Chapter 183, Laws of Utah 1990

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

17 Section 1. Section **59-7-602** is amended to read:

18 **59-7-602. Credit for cash contributions to private nonprofit providers.**

19 (1) As used in this section, "private nonprofit provider" means an organization that:

20 (a) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue

21 Code;

22 (b) is:

23 (i) a human services licensee as defined in Section 62A-2-101; and

24 (ii) licensed by the Department of Human Services under Title 62A, Chapter 2, Licensure

25 of Programs and Facilities; and

26 (c) provides services and supports to a person who is eligible to receive services and
27 supports under Title 62A, Chapter 5, Services to People with Disabilities.

28 ~~[(1)]~~ (2) (a) For [tax] taxable years beginning on or after January 1, [1983, and thereafter]
 29 2001, in computing the tax due [the state of Utah pursuant to] under Section 59-7-104, [there shall
 30 be a tax] a taxpayer may claim a nonrefundable credit [allowed] as provided in this section for cash
 31 contributions made ~~[within]~~ during the taxable year to ~~[nonprofit rehabilitation sheltered workshop~~
 32 ~~facilities for the disabled operating in Utah which are certified by the Department of Human~~
 33 ~~Services as a qualifying facility. The allowable credit is] a private nonprofit provider.~~

34 (b) (i) Except as provided in Subsection (2)(b)(ii), the credit provided for in Subsection
 35 (2)(a) is in an amount equal to 50% of the aggregate amount of [the] a cash [contributions to
 36 qualifying rehabilitation facilities, but in no case shall the credit allowed exceed \$1,000]
 37 contribution to a private nonprofit provider.

38 (ii) Notwithstanding Subsection (2)(b)(i), the total amount of credit a taxpayer may claim
 39 for a taxable year may not exceed \$2,000.

40 ~~[(2)]~~ (3) If a taxpayer has subtracted an amount [for] of a cash [contributions] contribution
 41 to a [sheltered workshop when] private nonprofit provider in determining federal taxable income,
 42 that amount shall be added [back] to unadjusted income under Section 59-7-105 before a taxpayer
 43 may claim a credit [may be taken] under this section.

44 (4) A taxpayer may not carry forward or carry back a credit under this section.

45 Section 2. Section **59-10-108** is amended to read:

46 **59-10-108. Credit for cash contributions to private nonprofit providers.**

47 (1) As used in this section, "private nonprofit provider" means an organization that:

48 (a) is exempt from federal income taxation under Section 501(c)(3), Internal Revenue
 49 Code;

50 (b) is:

51 (i) a human services licensee as defined in Section 62A-2-101; and

52 (ii) licensed by the Department of Human Services under Title 62A, Chapter 2, Licensure
 53 of Programs and Facilities; and

54 (c) provides services and supports to a person who is eligible to receive services and
 55 supports under Title 62A, Chapter 5, Services to People with Disabilities.

56 (2) (a) For [tax] taxable years beginning on or after January 1, [1983, and thereafter] 2001,
 57 in computing the tax due [the state of Utah pursuant to] under Section 59-10-104 [there shall be
 58 a tax], a taxpayer may claim a nonrefundable credit [allowed] as provided in this section for cash

59 contributions made [~~within~~] during the taxable year to [~~nonprofit rehabilitation sheltered workshop~~
60 facilities for the handicapped operating in Utah which are certified by the Department of Human
61 Services as a qualifying facility]. The allowable credit is] a private nonprofit provider.

62 (b) (i) Except as provided in Subsection (2)(b)(ii), the credit provided for in Subsection
63 (2)(a) is in an amount equal to 50% of the aggregate amount of [the] a cash [contributions to the
64 qualifying rehabilitation facilities, but in no case shall the allowed credit exceed \$200. The
65 amount of] contribution to a private nonprofit provider.

66 (ii) Notwithstanding Subsection (2)(b)(i), the total amount of credit a taxpayer may claim
67 for a taxable year may not exceed \$500.

68 (3) A cash contribution claimed as a [tax] credit [~~pursuant to~~] under this section may not
69 also be claimed as a charitable deduction in determining [net] state taxable income.

70 (4) A taxpayer may not carry forward or carry back a credit under this section.

Legislative Review Note
as of 2-8-00 3:34 PM

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

Office of Legislative Research and General Counsel