

INCOME TAX CREDIT - SCHOOL

VOLUNTEERS

2001 GENERAL SESSION

STATE OF UTAH

Sponsor: Neal B. Hendrickson

This act modifies the Individual Income Tax Act. The act provides for a refundable individual income tax credit equal to a portion of the federal earned income tax credit if the taxpayer provides school volunteer services. This act has retrospective operation for taxable years beginning on or after January 1, 2001.

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

ENACTS:

59-10-133, Utah Code Annotated 1953

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

Section 1. Section **59-10-133** is enacted to read:

59-10-133. Earned income tax credit.

(1) As used in this section:

(a) (i) "Earned income tax credit" means the amount the taxpayer is allowed for the taxable year as a federal earned income tax credit under Sections 32(a) through (m), Internal Revenue Code.

(ii) "Earned income tax credit" does not include the supplemental child credit provided for in Section 32(n), Internal Revenue Code.

(b) "Educator" is as defined in Section 53A-6-103.

(c) "Qualified volunteer activities" means that:

(i) a person assists an educator of a school in:

(A) providing direct instruction to students;

(B) preparing to provide direct instruction to students; or

(C) accompanying an educator on a field trip or other educational activity in which



28 students participate; and

29 (ii) the person provides the assistance described in Subsection (1)(b)(i) without
30 compensation.

31 (d) (i) "School" means a component of the public education system that provides
32 educational services to one or more of grades kindergarten through 12.

33 (ii) "School" does not include a home school.

34 (e) "School volunteer certificate" means a certificate that is:

35 (i) developed by the commission;

36 (ii) provided to schools by the commission;

37 (iii) issued by a school to a taxpayer who provides qualified volunteer activities at the
38 school; and

39 (iv) that states the number of hours during the taxable year that the taxpayer participated
40 in qualified volunteer activities.

41 (2) (a) For taxable years beginning on or after January 1, 2002, a taxpayer may claim as
42 provided in this section a refundable tax credit in an amount equal to the lesser of:

43 (i) 10% of the earned income tax credit the taxpayer is eligible for that taxable year; and

44 (ii) \$200.

45 (b) The tax credit provided in Subsection (2)(a) may be claimed if the taxpayer provides
46 300 hours or more of qualified volunteer activities at a school in a calendar year.

47 (3) A taxpayer:

48 (a) may claim the tax credit only for the taxable year that the taxpayer provides the
49 qualified volunteer activities; and

50 (b) may not carry forward or carry back the tax credit provided for under this section.

51 (4) (a) A school shall issue a taxpayer who provides qualified volunteer activities for the
52 school a school volunteer certificate by no later than 30 days after the last day of the calendar year
53 during which the taxpayer provided the qualified volunteer activities.

54 (b) A taxpayer shall attach a copy of the school volunteer certificate to any return upon
55 which the taxpayer claims a tax credit under this section.

56 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
57 commission may make rules providing procedures for issuing refunds for the tax credit provided
58 for under this section.

59 Section 2. **Retrospective operation.**

60 This act has retrospective operation for taxable years beginning on or after January 1, 2001.

Legislative Review Note
as of 2-13-01 4:33 PM

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

Office of Legislative Research and General Counsel