1 # INFORMATION TECHNOLOGY TRAINING

2 # INCENTIVE PROGRAM

3 2001 GENERAL SESSION

4 STATE OF UTAH

5 ## Sponsor: David H. Steele

6 **This act requires the Department of Workforce Services to establish an employer assistance**

7 **program to encourage employers to provide certain of their employees with continuing**

8 **information technology training. The act allows the employer to claim a tax credit of up to**

9 **$1,500 per employee for the cost of providing the continuing information technology training**

10 **in a program identified and certified to the Utah State Tax Commission by the Department**

11 **of Workforce Services. The act also allows an employer to claim a tax credit of $5,000 for**

12 **having an employee participate in the Partners in Education Program. The act has**

13 **retrospective operation to January 1, 2001.**

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

15 ENACTS:

16 **35A-5-203**, Utah Code Annotated 1953

17 **59-7-614**, Utah Code Annotated 1953

18 **59-10-133**, Utah Code Annotated 1953

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

20 Section 1. Section **35A-5-203** is enacted to read:

21 **35A-5-203. Technology training assistance program.**

22 (1) The Department of Workforce Services shall establish an employer assistance program

23 to encourage employers in the state to:

24 (a) provide certain of their employees with continuing information technology skills

25 training in the following areas of technology skills and occupations that are in high demand, in

26 short supply, and critical to economic development in the state:

27 (i) network engineering;

28   (ii) network administration;

29   (iii) systems engineering;

30   (iv) systems administration;

31   (v) database administration;

32   (vi) electrical engineering;

33   (vii) software development; and

34   (viii) software programming; and

35   (b) participate in a Partners in Education Program to help alleviate the shortage of

36   information technology instructors in public and higher education by allowing competent,

37   knowledgeable employees to teach information technology courses in either or both education

38   systems.

39   (2) (a) The department shall identify and certify to the Utah State Tax Commission

40   technology skills training programs in the areas identified in Subsections (1)(a)(i) through (viii)

41   for the purpose of qualifying for the tax credit offered under **§ [Section] Sections §** 59-7-614

41a **§ AND 59-10-133 §** .

42   (b) The technology skills training programs referred to in Subsection (2)(a) must be

43   provided by an accredited college, university, private career school, or other postsecondary

44   educational institution to qualify for the tax credit.

45   (3) (a) The department, in consultation with the State Board of Education and State Board

46   of Regents, shall identify and certify to the Utah State Tax Commission the courses to be taught

47   under the Partners in Education Program for the purpose of qualifying for the tax credit offered

48   under **§ [Section] Sections §** 59-7-614 **§ AND 59-10-133 §** .

49   (b) The courses must be taught in a public secondary school or an institution within the

50   state system of higher education.

51   Section 2. Section **59-7-614** is enacted to read:

52   **59-7-614. Technology training assistance credit.**

53   (1) (a) For taxable years beginning on or after January 1, 2001, but beginning **§ ON OR §**

53a before

54   December 31, 2007, a taxpayer meeting the requirements of Subsections (1)(a) and (2)(a) shall

55   qualify for the following nonrefundable credit for expenses incurred by the taxpayer for providing

56   information technology skills training to an employee under Section 35A-5-203:

57   (i) the amount of the credit is the amount actually spent by the taxpayer during the taxable

58   year for the cost of the training under Section 35A-5-203, but not more than $1,500 per employee;

59   and
60   (ii) the taxpayer may not claim the credit for more than 20 employees, for a maximum
61   credit in any one tax year of $30,000.
62   (b) (i) For taxable years beginning on or after January 1, 2001, but beginning Ş **ON OR** ş
62a   before
63   December 31, 2007, a taxpayer that has an employee participate in the Partners in Education
64   Program established under Section 35A-5-203 and meets the requirement of Subsection (2)(a) may
65   claim a tax credit of $5,000 for each complete term of teaching performed by the employee during
66   the tax year.
67   (ii) For purposes of Subsection (1)(b)(i), "term" means a semester as applied to teaching
68   within the state system of higher education and an equivalent time period as applied to teaching
69   at a secondary school within the state system of public education.
70   (2) (a) To receive a tax credit under this section, a taxpayer must apply to the Department
71   of Workforce Services, on a form prescribed by the department, on or before January 15 following
72   the calendar year Ş **[in] FOR** ş which the credit is claimed.
73   (b) On or before February 15, the Department of Workforce Services shall review and
74   determine the amount of the credit for each taxpayer and issue a certificate to each qualifying
75   taxpayer stating the amount of the credit.
76   (c) (i) The Department of Workforce Services may not certify tax credits under this section
77   in any calendar year exceeding $5,000,000.
78   (ii) If qualifying applications exceed $5,000,000 in any calendar year, the department shall
79   proportionately reduce the amount of the credit allowed each taxpayer.
79a   Ş   **(d) THE TAXPAYER SHALL ATTACH THE CERTIFICATE TO THE TAX FORM ON WHICH THE**
79b   **CREDIT IS CLAIMED.** ş
80   (3) If the allowable tax credit under this section exceeds the taxpayer's tax liability under
81   this chapter for a taxable year, the amount of the credit exceeding the liability may be carried
82   forward for a period not to exceed the next five taxable years.
83   Section 3. Section **59-10-133** is enacted to read:
84   **59-10-133.   Technology training assistance credit.**
85   (1) (a) For taxable years beginning on or after January 1, 2001, but beginning Ş **ON OR** ş
85a   before
86   December 31, 2007, a taxpayer meeting the requirements of Subsections (1)(a) and (2)(a) shall
87   qualify for the following nonrefundable credit for expenses incurred by the taxpayer for providing
88   information technology skills training to an employee under Section 35A-5-203:
89   (i) the amount of the credit is the amount actually spent by the taxpayer during the taxable

90   year for the cost of the training under Section 35A-5-203, but not more than $1,500 per employee;

91   and

92   (ii) the taxpayer may not claim the credit for more than 20 employees, for a maximum

93   credit in any one tax year of $30,000.

94   (b) (i) For taxable years beginning on or after January 1, 2001, but beginning Ş **ON OR** ş

94a   before

95   December 31, 2007, a taxpayer that has an employee participate in the Partners in Education

96   Program established under Section 35A-5-203 and meets the requirement of Subsection (2)(a) may

97   claim a tax credit of $5,000 for each complete term of teaching performed by the employee during

98   the tax year.

99   (ii) For purposes of Subsection (1)(b)(i), "term" means a semester as applied to teaching

100   within the state system of higher education and an equivalent time period as applied to teaching

101   at a secondary school within the state system of public education.

102   (2) (a) To receive a tax credit under this section, a taxpayer must apply to the Department

103   of Workforce Services, on a form prescribed by the department, on or before January 15 following

104   the calendar year Ş [in] **FOR** ş which the credit is claimed.

105   (b) On or before February 15, the Department of Workforce Services shall review and

106   determine the amount of the credit for each taxpayer and issue a certificate to each qualifying

107   taxpayer stating the amount of the credit.

108   (c) (i) The Department of Workforce Services may not certify tax credits under this section

109   in any calendar year exceeding $5,000,000.

110   (ii) If qualifying applications exceed $5,000,000 in any calendar year, the department shall

111   proportionately reduce the amount of the credit allowed each taxpayer.

111a   Ş   **(d) THE TAXPAYER SHALL ATTACH THE CERTIFICATE TO THE TAX FORM ON WHICH THE**

111b   **CREDIT IS CLAIMED.** ş

112   (3) If the allowable tax credit under this section exceeds the taxpayer's tax liability under

113   this chapter for a taxable year, the amount of the credit exceeding the liability may be carried

114   forward for a period not to exceed the next five taxable years.

115   Section 4. **Retrospective operation.**

116   This act has retrospective operation to January 1, 2001.

- 5 -

Legislative Review Note
       as of   2-14-01 3:58 PM

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

Office of Legislative Research and General Counsel