

1 **TAX CREDITS FOR DONATED TEXTBOOKS**

2 2002 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Mike Thompson**

5 **This act modifies Corporate Franchise and Income Taxes and the Individual Income Tax Act**
6 **to provide for nonrefundable tax credits for certain purchases of textbooks donated to**
7 **schools. This act has retrospective operation for taxable years beginning on or after January**
8 **1, 2002.**

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

10 ENACTS:

11 **59-7-615**, Utah Code Annotated 1953

12 **59-10-135**, Utah Code Annotated 1953

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

14 Section 1. Section **59-7-615** is enacted to read:

15 **59-7-615. Tax credit for textbooks donated to schools.**

16 (1) As used in this section:

17 (a) "Charter school" means a charter school created by Section 53A-1a-502.

18 (b) (i) "Private school" means an elementary or secondary school within this state that:

19 (A) provides instruction for one or more grades kindergarten through 12;

20 (B) is not subject to the control and supervision of the State Board of Education in
21 accordance with Section 53A-1-401; and

22 (C) satisfies the requirements of Title 53A, Chapter 11, Part 1, Compulsory Education
23 Requirements.

24 (ii) "Private school" does not include a home school.

25 (c) (i) "Public school" means an elementary or secondary school that:

26 (A) provides instruction for one or more grades kindergarten through 12;

27 (B) is subject to the control and supervision of the State Board of Education in accordance



28 with Section 53A-1-401; and

29 (C) satisfies the requirements of Title 53A, Chapter 11, Part 1, Compulsory Education
30 Requirements.

31 (ii) "Public school" does not include a home school.

32 (d) (i) "School" means a:

33 (A) charter school; or

34 (B) public school.

35 (ii) "School" does not include a private school.

36 (e) "Textbook" is as defined in Section 53A-12-202.

37 (f) "Textbook donation certificate" means a certificate that is:

38 (i) on a form that is:

39 (A) developed by the commission; and

40 (B) provided by the commission to a school at the request of the school; and

41 (ii) issued by a school to a taxpayer that is eligible for a nonrefundable tax credit under this
42 section.

43 (2) (a) For taxable years beginning on or after January 1, 2002, a taxpayer may claim a
44 nonrefundable tax credit against the taxes imposed by this chapter as provided in this section equal
45 to an amount calculated under Subsection (2)(b) for the donation of a textbook to a school during
46 the taxable year.

47 (b) (i) The nonrefundable tax credit described in Subsection (2)(a) is an amount equal to:

48 (A) if the textbook has not been used prior to the donation, the purchase price of the
49 textbook paid by the taxpayer; or

50 (B) if the textbook has been used prior to the donation, the product of:

51 (I) the purchase price of the textbook paid by the taxpayer; and

52 (II) .5.

53 (ii) For purposes of Subsection (2)(b)(i), the purchase price of the textbook does not
54 include the amount of any taxes paid on the purchase of the textbook.

55 (3) For purposes of claiming a tax credit under this section, a unitary group as defined in
56 Section 59-7-101 is considered to be one taxpayer.

57 (4) The nonrefundable tax credit provided for in this section:

58 (a) may be claimed only for the taxable year during which the taxpayer donates the

59 textbook regardless of the taxable year during which the taxpayer purchased the textbook; and

60 (b) may not be carried forward or carried back.

61 (5) A taxpayer may claim a tax credit under this section only if:

62 (a) the taxpayer donates the textbook to a school;

63 (b) the school described in Subsection (5)(a) determines in accordance with the uniform

64 guidelines adopted by the State Board of Education under Section 53A-12-201.5 that the textbook:

65 (i) is not:

66 (A) an outdated textbook; or

67 (B) a textbook in poor condition; and

68 (ii) assists in the school maintaining an adequate supply of textbooks; and

69 (c) the taxpayer obtains from the school described in Subsection (5)(a) a textbook donation

70 certificate in accordance with Subsection (6).

71 (6) A school shall issue a textbook donation certificate to a taxpayer that donates one or
72 more textbooks to the school in accordance with this section if the taxpayer:

73 (a) requests the textbook donation certificate from the school; and

74 (b) provides to the school receipts for the amount the taxpayer paid to purchase each

75 textbook that meets the requirements of Subsection (5).

76 Section 2. Section **59-10-135** is enacted to read:

77 **59-10-135. Tax credit for textbooks donated to schools.**

78 (1) As used in this section:

79 (a) "Charter school" means a charter school created by Section 53A-1a-502.

80 (b) "Parent" means a relationship described in Section 59-10-108.1.

81 (c) (i) "Private school" means an elementary or secondary school within this state that:

82 (A) provides instruction for one or more grades kindergarten through 12;

83 (B) is not subject to the control and supervision of the State Board of Education in

84 accordance with Section 53A-1-401; and

85 (C) satisfies the requirements of Title 53A, Chapter 11, Part 1, Compulsory Education
86 Requirements.

87 (ii) "Private school" does not include a home school.

88 (d) (i) "Public school" means an elementary or secondary school that:

89 (A) provides instruction for one or more grades kindergarten through 12;

90 (B) is subject to the control and supervision of the State Board of Education in accordance
91 with Section 53A-1-401; and

92 (C) satisfies the requirements of Title 53A, Chapter 11, Part 1, Compulsory Education
93 Requirements.

94 (ii) "Public school" does not include a home school.

95 (e) (i) "School" means a:

96 (A) charter school; or

97 (B) public school.

98 (ii) "School" does not include a private school.

99 (f) "Textbook" is as defined in Section 53A-12-202.

100 (g) "Textbook donation certificate" means a certificate that is:

101 (i) on a form that is:

102 (A) developed by the commission; and

103 (B) provided by the commission to a school at the request of the school; and

104 (ii) issued by a school to a taxpayer that is eligible for a nonrefundable tax credit under this
105 section.

106 (2) (a) For taxable years beginning on or after January 1, 2002, a taxpayer may claim a
107 nonrefundable tax credit against the taxes imposed by this chapter as provided in this section equal
108 to an amount calculated under Subsection (2)(b) for the donation of a textbook to a school during
109 the taxable year.

110 (b) (i) The nonrefundable tax credit described in Subsection (2)(a) is an amount equal to:

111 (A) if the textbook has not been used prior to the donation, the purchase price of the
112 textbook paid by the taxpayer; or

113 (B) if the textbook has been used prior to the donation, the product of:

114 (I) the purchase price of the textbook paid by the taxpayer; and

115 (II) .5.

116 (ii) For purposes of Subsection (2)(b)(i), the purchase price of the textbook does not
117 include the amount of any taxes paid on the purchase of the textbook.

118 (3) The nonrefundable tax credit provided for in this section:

119 (a) may be claimed only for the taxable year during which the taxpayer donates the

120 textbook regardless of the taxable year during which the taxpayer purchased the textbook; and

121 (b) may not be carried forward or carried back.
122 (4) A taxpayer may claim a tax credit under this section only if:
123 (a) the taxpayer donates the textbook to a school;
124 (b) the school described in Subsection (4)(a) determines in accordance with the uniform
125 guidelines adopted by the State Board of Education under Section 53A-12-201.5 that the textbook:
126 (i) is not:
127 (A) an outdated textbook; or
128 (B) a textbook in poor condition; and
129 (ii) assists in the school maintaining an adequate supply of textbooks; and
130 (c) the taxpayer obtains from the school described in Subsection (4)(a) a textbook donation
131 certificate in accordance with Subsection (5).
132 (5) A school shall issue a textbook donation certificate to a taxpayer that donates one or
133 more textbooks to the school in accordance with this section if the taxpayer:
134 (a) requests the textbook donation certificate from the school; and
135 (b) provides to the school receipts for the amount the taxpayer paid to purchase each
136 textbook that meets the requirements of Subsection (4).
137 Section 3. **Retrospective operation.**
138 This act has retrospective operation for taxable years beginning on or after January 1, 2002.

Legislative Review Note
as of 2-7-02 12:24 PM

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

Office of Legislative Research and General Counsel