

**INDIVIDUAL INCOME TAX CONTRIBUTIONS
FOR EDUCATION**

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: David L. Thomas

LONG TITLE

General Description:

This bill amends the Individual Income Tax Act.

Highlighted Provisions:

This bill:

- ▶ for taxable years beginning on or after January, 1 2004, but beginning on or before December 31, 2006, authorizes a taxpayer to contribute \$1 or more to the Uniform School Fund on the taxpayer's individual income tax return;

- ▶ repeals obsolete language authorizing a taxpayer to contribute \$1 or more to an applied technology center or applied technology service center and authorizes the contribution to be made to a campus of the Utah College of Applied Technology;

and

- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation for taxable years beginning on or after January 1, 2004.

Utah Code Sections Affected:

AMENDS:

59-10-549, as last amended by Chapter 216, Laws of Utah 2001

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

Section 1. Section **59-10-549** is amended to read:

59-10-549. Contributions for education.

(1) Except as provided in Section 59-10-551, a taxpayer that files a return pursuant to Section 59-10-502 may designate on the return a contribution as provided in this section to:

(a) the State Board of Regents created by Section 53B-1-103 for:

(i) libraries; or

(ii) library equipment;

(b) an institution of higher education created by Section 53B-2-101 for:

(i) libraries; or

(ii) library equipment;

(c) the foundation of any school district that is exempt from federal income taxation under Section 501(c)(3), Internal Revenue Code;

(d) a chapter of the Utah Public Education Foundation; [or]

~~[(e) (i) an applied technology center listed in Section 53A-15-202.5; or]~~

~~[(ii) an applied technology service center.]~~

(e) a college campus of the Utah College of Applied Technology listed in Section 53B-2a-105; or

(f) for taxable years beginning on or after January 1, 2004, but beginning on or before December 31, 2006, the Uniform School Fund.

(2) (a) A taxpayer may designate as a contribution under this section any whole dollar amount of \$1 or more.

(b) (i) If the taxpayer is owed an individual income tax refund for the taxable year, the amount of a contribution under this section shall be deducted from the taxpayer's individual income tax refund.

(ii) If the taxpayer is not owed an individual income tax refund for the taxable year, the taxpayer may remit a contribution under this section with the taxpayer's individual income tax return.

(c) If a taxpayer files a joint return, the contribution under this section shall be a joint

contribution.

(d) A contribution under this section is irrevocable during the taxable year for which the taxpayer makes the contribution.

(3) If a taxpayer designates an amount as a contribution under Subsection (1)(b), but does not designate a particular institution of higher education to receive the contribution, the contribution shall be made to the State Board of Regents for the purposes described in Subsection (1)(a).

(4) If a taxpayer designates an amount as a contribution under Subsection (1)(c), but does not designate a particular school district foundation to receive the contribution, the contribution shall be made to the Utah Public Education Foundation.

(5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.

(6) The commission shall:

(a) determine annually the total amount of contributions designated in accordance with this section; and

(b) report this amount to the state treasurer.

(7) The state treasurer shall credit any contributions reported to the state treasurer in accordance with Subsection (6) ~~[to the educational institution described in Subsection (1) designated by the taxpayer in accordance with this section.]:~~

(a) subject to Subsections (3) and (4), if a taxpayer designates a contribution to an entity listed in Subsections (1)(a) through (e) in accordance with this section, to the entity that is designated by the taxpayer; or

(b) if a taxpayer designates a contribution to the Uniform School Fund under Subsection (1)(f) in accordance with this section, to the Uniform School Fund.

Section 2. Retrospective operation.

This bill has retrospective operation for taxable years beginning on or after January 1, 2004.