

1 **INDIVIDUAL INCOME TAX CONTRIBUTION**
2 **FOR COMMUNITY SPAY AND NEUTER**
3 **PROGRAMS**

4 2005 GENERAL SESSION

5 STATE OF UTAH

6 **Sponsor: Michael E. Noel**

7
8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Utah Health Code and the Individual Income Tax Act.

11 **Highlighted Provisions:**

12 This bill:

13 ▶ creates the Cat and Dog Community Spay and Neuter Program Restricted Account,
14 provides that the restricted account shall earn interest, and provides that the interest
15 shall be deposited into the restricted account;

16 ▶ describes organizations to which the Department of Health shall distribute
17 contributions made to the Cat and Dog Community Spay and Neuter Program
18 Restricted Account;

19 ▶ provides the purposes for which an organization that receives a distribution from the
20 Department of Health may expend the distribution;

21 ▶ grants rulemaking authority to the Department of Health;

22 ▶ provides for an individual income tax contribution to the Cat and Dog Community
23 Spay and Neuter Program Restricted Account;

24 ▶ provides that if this contribution generates less than \$30,000 per taxable year for
25 three consecutive taxable years, the State Tax Commission shall remove the
26 designation for the contribution from tax returns and may not collect the
27 contribution from a resident or nonresident individual; and



59 (b) Interest earned on the Cat and Dog Community Spay and Neuter Program
60 Restricted Account shall be deposited into the Cat and Dog Community Spay and Neuter
61 Restricted Account.

62 (4) The department shall distribute contributions and interest deposited into the Cat and
63 Dog Community Spay and Neuter Program Restricted Account to one or more organizations:

64 (a) that are exempt from federal income taxation under Section 501(c)(3), Internal
65 Revenue Code;

66 (b) that operate a mobile spay and neuter clinic for cats and dogs; and

67 (c) that provide annual spay and neuter services at the mobile spay and neuter clinic
68 described in Subsection (4)(b) to one or more communities in at least 20 counties in the state.

69 (5) (a) An organization described in Subsection (4) may apply to the department to
70 receive a distribution in accordance with Subsection (4).

71 (b) An organization that receives a distribution from the department in accordance with
72 Subsection (4) shall expend the distribution only to spay or neuter dogs and cats owned by
73 persons having low incomes.

74 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
75 department may make rules:

76 (i) providing procedures and requirements for an organization to apply to the
77 department to receive a distribution in accordance with Subsection (4); and

78 (ii) to define what constitutes a person having a low income.

79 Section 3. Section **59-10-550.2** is enacted to read:

80 **59-10-550.2. Contribution to Cat and Dog Community Spay and Neuter Program**
81 **Restricted Account.**

82 (1) Except as provided in Section 59-10-551, for taxable years beginning on or after
83 January 1, 2005, a resident or nonresident individual that files an individual income tax return
84 under this chapter may designate on the resident or nonresident individual's individual income
85 tax return a contribution as provided in this section to be:

86 (a) deposited into the Cat and Dog Community Spay and Neuter Program Restricted
87 Account created by Section 26-48-102; and

88 (b) distributed by the Department of Health as provided in Section 26-48-102.

89 (2) (a) A resident or nonresident individual may designate as a contribution under this

90 section any whole dollar amount of \$1 or more.

91 (b) If a resident or nonresident individual designating a contribution under this section:

92 (i) is owed an individual income tax refund for the taxable year, the amount of the
93 contribution under this section shall be deducted from the resident or nonresident individual's
94 individual income tax refund; or

95 (ii) is not owed an individual income tax refund for the taxable year, the resident or
96 nonresident individual may remit a contribution under this section with the resident or
97 nonresident individual's individual income tax return.

98 (c) If a husband and wife file a single individual income tax return jointly, a
99 contribution under this section shall be a joint contribution.

100 (d) A contribution under this section is irrevocable for the taxable year for which the
101 resident or nonresident individual makes the contribution.

102 (3) The commission shall:

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

105 (b) credit the amount described in Subsection (3)(a) to the Cat and Dog Community
106 Spay and Neuter Program Restricted Account created by Section 26-48-102.

107 Section 4. Section **59-10-551** is amended to read:

108 **59-10-551. Removal of designation and prohibitions on collection for certain**
109 **contributions on income tax form -- Conditions for removal and prohibitions on**
110 **collection -- Commission reporting requirements.**

111 (1) (a) Beginning on January 1, 1998, if a contribution or combination of contributions
112 described in Subsection (1)(b) generate less than \$30,000 per year for three consecutive years,
113 the commission shall remove the designation for the contribution from the income tax return
114 and may not collect the contribution from a resident or nonresident individual beginning two
115 taxable years after the three-year period for which the contribution generates less than \$30,000
116 per year.

117 (b) The following contributions apply to Subsection (1)(a):

118 (i) the contribution provided for in Section 59-10-530;

119 (ii) the contribution provided for in Section 59-10-530.5;

120 (iii) the sum of the contributions provided for in:

121 (A) Subsection 59-10-549(1)(a); and
 122 (B) Subsection 59-10-549(1)(b);
 123 (iv) the sum of the contributions provided for in:
 124 (A) Subsection 59-10-549(1)(c); and
 125 (B) Subsection 59-10-549(1)(d);
 126 (v) the contribution provided for in Subsection 59-10-549(1)(e);
 127 (vi) the contribution provided for in Section 59-10-550; [~~or~~]
 128 (vii) the contribution provided for in Section 59-10-550.1[-]; or
 129 (viii) the contribution provided for in Section 59-10-550.2.
 130 (2) If the commission removes the designation for a contribution under Subsection (1),
 131 the commission shall report to the Revenue and Taxation Interim Committee that the
 132 commission removed the designation on or before the November interim meeting of the year in
 133 which the commission determines to remove the designation.
 134 **Section 5. Retrospective operation.**
 135 This bill has retrospective operation for taxable years beginning on or after January 1,
 136 2005.

Legislative Review Note
as of 1-26-05 4:55 PM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number HB0140

**Individual Income Tax Contribution for Community Spay and Neuter
Programs**

02-Feb-05
5:05 PM

State Impact

Costs of implementing this bill can be handled within existing appropriations of the Tax Commission and the Department of Health.

Individual and Business Impact

Individuals who qualify under the provisions of this bill could have their pets spayed or neutered at no cost to them.

Office of the Legislative Fiscal Analyst