

1                   **AMENDMENTS RELATED TO EDUCATION FUNDING**

2                                   2013 GENERAL SESSION

3                                   STATE OF UTAH

4                                   **Chief Sponsor: Joel K. Briscoe**

5                                   Senate Sponsor: \_\_\_\_\_

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7   **LONG TITLE**

8   **General Description:**

9           This bill makes changes to tax and education provisions to provide for education  
10 funding.

11 **Highlighted Provisions:**

12           This bill:

- 13           ▶ establishes a set tax rate for the minimum basic tax rate, subject to the rate  
14 generating a specified revenue amount;
- 15           ▶ eliminates an advertising requirement related to the minimum basic tax rate;
- 16           ▶ changes the personal exemption component of the individual income tax credit  
17 calculation from a percentage of the federal personal exemption to a fixed dollar  
18 amount per exemption; and
- 19           ▶ makes technical and conforming changes.

20 **Money Appropriated in this Bill:**

21           None

22 **Other Special Clauses:**

23           This bill provides for retrospective operation.

24 **Utah Code Sections Affected:**

25 AMENDS:

26           **53A-17a-103**, as last amended by Laws of Utah 2011, Chapter 371

27           **53A-17a-135**, as last amended by Laws of Utah 2012, Chapters 4 and 421



28           **59-2-102**, as last amended by Laws of Utah 2012, Chapter 240  
 29           **59-2-926**, as last amended by Laws of Utah 2009, Chapter 388  
 30           **59-10-1018**, as last amended by Laws of Utah 2012, Chapter 295



31  
 32 *Be it enacted by the Legislature of the state of Utah:*

33           Section 1. Section **53A-17a-103** is amended to read:

34           **53A-17a-103. Definitions.**

35           As used in this chapter:

36           (1) "Basic state-supported school program" or "basic program" means public education  
 37 programs for kindergarten, elementary, and secondary school students that are operated and  
 38 maintained for the amount derived by multiplying the number of weighted pupil units for each  
 39 school district or charter school by the value established each year in statute, except as  
 40 otherwise provided in this chapter.

41           (2) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
 42 ad valorem property tax revenue equal to the sum of:

43           (i) the amount of ad valorem property tax revenue to be generated statewide in the  
 44 previous year from imposing a minimum basic tax rate, as specified in [~~Subsection~~] Section  
 45 53A-17a-135~~[(1)(a)]~~; and

46           (ii) the product of:

47           (A) new growth, as defined in:

48           (I) Section 59-2-924; and

49           (II) rules of the State Tax Commission; and

50           (B) the minimum basic tax rate certified by the State Tax Commission for the previous  
 51 year.

52           (b) For purposes of this Subsection (2), "ad valorem property tax revenue" does not  
 53 include property tax revenue received statewide from personal property that is:

54           (i) assessed by a county assessor in accordance with Title 59, Chapter 2, Part 3, County  
 55 Assessment; and

56           (ii) semiconductor manufacturing equipment.

57           (c) For purposes of calculating the certified revenue levy described in this Subsection  
 58 (2), the State Tax Commission shall use:

59 (i) the taxable value of real property assessed by a county assessor contained on the  
60 assessment roll;

61 (ii) the taxable value of real and personal property assessed by the State Tax  
62 Commission; and

63 (iii) the taxable year end value of personal property assessed by a county assessor  
64 contained on the prior year's assessment roll.

65 (3) "Pupil in average daily membership (ADM)" means a full-day equivalent pupil.

66 (4) (a) "State-supported minimum school program" or "Minimum School Program"  
67 means public school programs for kindergarten, elementary, and secondary schools as  
68 described in this Subsection (4).

69 (b) The minimum school program established in school districts and charter schools  
70 shall include the equivalent of a school term of nine months as determined by the State Board  
71 of Education.

72 (c) (i) The board shall establish the number of days or equivalent instructional hours  
73 that school is held for an academic school year.

74 (ii) Education, enhanced by utilization of technologically enriched delivery systems,  
75 when approved by local school boards or charter school governing boards, shall receive full  
76 support by the State Board of Education as it pertains to fulfilling the attendance requirements,  
77 excluding time spent viewing commercial advertising.

78 (d) The Minimum School Program includes a program or allocation funded by a line  
79 item appropriation or other appropriation designated as follows:

80 (i) Basic School Program;

81 (ii) Related to Basic Programs;

82 (iii) Voted and Board Levy Programs; or

83 (iv) Minimum School Program.

84 (5) "Weighted pupil unit or units or WPU or WPUs" means the unit of measure of  
85 factors that is computed in accordance with this chapter for the purpose of determining the  
86 costs of a program on a uniform basis for each district.

87 Section 2. Section **53A-17a-135** is amended to read:

88 **53A-17a-135. Minimum basic tax rate -- Certified revenue levy.**

89 (1) (a) In order to qualify for receipt of the state contribution toward the basic program

90 and as its contribution toward its costs of the basic program, each school district shall impose a  
 91 minimum basic tax rate per dollar of taxable value [~~that generates \$289,021,900 in revenues~~  
 92 ~~statewide~~] in accordance with this section.

93 (b) [~~The preliminary estimate for the 2012-13~~] Beginning on January 1, 2013, the  
 94 minimum basic tax rate is [~~.001665~~] the greater of:

95 (i) ~~Ĥ~~ → [~~.001651~~] .001691 ← ~~Ĥ~~ ; or

96 (ii) the certified revenue levy.

97 (c) The State Tax Commission shall certify on or before June 22 the [~~rate that~~  
 98 ~~generates \$289,021,900 in revenues statewide~~] minimum basic tax rate to be imposed under  
 99 Subsection (1)(b).

100 [~~(d) If the minimum basic tax rate exceeds the certified revenue levy as defined in~~  
 101 ~~Section 53A-17a-103, the state is subject to the notice requirements of Section 59-2-926.~~]

102 (2) (a) The state shall contribute to each district toward the cost of the basic program in  
 103 the district that portion which exceeds the proceeds of the levy authorized under Subsection  
 104 (1).

105 (b) In accord with the state strategic plan for public education and to fulfill its  
 106 responsibility for the development and implementation of that plan, the Legislature instructs  
 107 the State Board of Education, the governor, and the Office of Legislative Fiscal Analyst in each  
 108 of the coming five years to develop budgets that will fully fund student enrollment growth.

109 (3) (a) If the proceeds of the levy authorized under Subsection (1) equal or exceed the  
 110 cost of the basic program in a school district, no state contribution shall be made to the basic  
 111 program.

112 (b) The proceeds of the levy authorized under Subsection (1) which exceed the cost of  
 113 the basic program shall be paid into the Uniform School Fund as provided by law.

114 Section 3. Section **59-2-102** is amended to read:

115 **59-2-102. Definitions.**

116 As used in this chapter and title:

117 (1) "Aerial applicator" means aircraft or rotorcraft used exclusively for the purpose of  
 118 engaging in dispensing activities directly affecting agriculture or horticulture with an  
 119 airworthiness certificate from the Federal Aviation Administration certifying the aircraft or  
 120 rotorcraft's use for agricultural and pest control purposes.

121 (2) "Air charter service" means an air carrier operation which requires the customer to  
122 hire an entire aircraft rather than book passage in whatever capacity is available on a scheduled  
123 trip.

124 (3) "Air contract service" means an air carrier operation available only to customers  
125 who engage the services of the carrier through a contractual agreement and excess capacity on  
126 any trip and is not available to the public at large.

127 (4) "Aircraft" is as defined in Section 72-10-102.

128 (5) (a) Except as provided in Subsection (5)(b), "airline" means an air carrier that:

129 (i) operates:

130 (A) on an interstate route; and

131 (B) on a scheduled basis; and

132 (ii) offers to fly one or more passengers or cargo on the basis of available capacity on a  
133 regularly scheduled route.

134 (b) "Airline" does not include an:

135 (i) air charter service; or

136 (ii) air contract service.

137 (6) "Assessment roll" means a permanent record of the assessment of property as  
138 assessed by the county assessor and the commission and may be maintained manually or as a  
139 computerized file as a consolidated record or as multiple records by type, classification, or  
140 categories.

141 (7) (a) "Certified revenue levy" means a property tax levy that provides an amount of  
142 ad valorem property tax revenue equal to the sum of:

143 (i) the amount of ad valorem property tax revenue to be generated statewide in the  
144 previous year from imposing a school minimum basic tax rate, as specified in [~~Subsection~~  
145 Section 53A-17a-135], or multicounty assessing and collecting levy, as specified in  
146 Section 59-2-1602; and

147 (ii) the product of:

148 (A) new growth, as defined in:

149 (I) Section 59-2-924; and

150 (II) rules of the commission; and

151 (B) the school minimum basic tax rate, as specified in Section 53A-17a-135, or

152 multicounty assessing and collecting levy, as specified in Section 59-2-1602 certified by the  
153 commission for the previous year.

154 (b) For purposes of this Subsection (7), "ad valorem property tax revenue" does not  
155 include property tax revenue received by a taxing entity from personal property that is:

- 156 (i) assessed by a county assessor in accordance with Part 3, County Assessment; and
- 157 (ii) semiconductor manufacturing equipment.

158 (c) For purposes of calculating the certified revenue levy described in this Subsection  
159 (7), the commission shall use:

160 (i) the taxable value of real property assessed by a county assessor contained on the  
161 assessment roll;

162 (ii) the taxable value of real and personal property assessed by the commission; and

163 (iii) the taxable year end value of personal property assessed by a county assessor  
164 contained on the prior year's assessment roll.

165 (8) "County-assessed commercial vehicle" means:

166 (a) any commercial vehicle, trailer, or semitrailer which is not apportioned under  
167 Section 41-1a-301 and is not operated interstate to transport the vehicle owner's goods or  
168 property in furtherance of the owner's commercial enterprise;

169 (b) any passenger vehicle owned by a business and used by its employees for  
170 transportation as a company car or vanpool vehicle; and

171 (c) vehicles which are:

172 (i) especially constructed for towing or wrecking, and which are not otherwise used to  
173 transport goods, merchandise, or people for compensation;

174 (ii) used or licensed as taxicabs or limousines;

175 (iii) used as rental passenger cars, travel trailers, or motor homes;

176 (iv) used or licensed in this state for use as ambulances or hearses;

177 (v) especially designed and used for garbage and rubbish collection; or

178 (vi) used exclusively to transport students or their instructors to or from any private,  
179 public, or religious school or school activities.

180 (9) (a) Except as provided in Subsection (9)(b), for purposes of Section 59-2-801,  
181 "designated tax area" means a tax area created by the overlapping boundaries of only the  
182 following taxing entities:

183 (i) a county; and

184 (ii) a school district.

185 (b) Notwithstanding Subsection (9)(a), "designated tax area" includes a tax area created  
186 by the overlapping boundaries of:

187 (i) the taxing entities described in Subsection (9)(a); and

188 (ii) (A) a city or town if the boundaries of the school district under Subsection (9)(a)  
189 and the boundaries of the city or town are identical; or

190 (B) a special service district if the boundaries of the school district under Subsection  
191 (9)(a) are located entirely within the special service district.

192 (10) "Eligible judgment" means a final and unappealable judgment or order under  
193 Section 59-2-1330:

194 (a) that became a final and unappealable judgment or order no more than 14 months  
195 prior to the day on which the notice required by Section 59-2-919.1 is required to be mailed;  
196 and

197 (b) for which a taxing entity's share of the final and unappealable judgment or order is  
198 greater than or equal to the lesser of:

199 (i) \$5,000; or

200 (ii) 2.5% of the total ad valorem property taxes collected by the taxing entity in the  
201 previous fiscal year.

202 (11) (a) "Escaped property" means any property, whether personal, land, or any  
203 improvements to the property, subject to taxation and is:

204 (i) inadvertently omitted from the tax rolls, assigned to the incorrect parcel, or assessed  
205 to the wrong taxpayer by the assessing authority;

206 (ii) undervalued or omitted from the tax rolls because of the failure of the taxpayer to  
207 comply with the reporting requirements of this chapter; or

208 (iii) undervalued because of errors made by the assessing authority based upon  
209 incomplete or erroneous information furnished by the taxpayer.

210 (b) Property which is undervalued because of the use of a different valuation  
211 methodology or because of a different application of the same valuation methodology is not  
212 "escaped property."

213 (12) "Fair market value" means the amount at which property would change hands

214 between a willing buyer and a willing seller, neither being under any compulsion to buy or sell  
215 and both having reasonable knowledge of the relevant facts. For purposes of taxation, "fair  
216 market value" shall be determined using the current zoning laws applicable to the property in  
217 question, except in cases where there is a reasonable probability of a change in the zoning laws  
218 affecting that property in the tax year in question and the change would have an appreciable  
219 influence upon the value.

220 (13) "Farm machinery and equipment," for purposes of the exemption provided under  
221 Section 59-2-1101, means tractors, milking equipment and storage and cooling facilities, feed  
222 handling equipment, irrigation equipment, harvesters, choppers, grain drills and planters, tillage  
223 tools, scales, combines, spreaders, sprayers, haying equipment, and any other machinery or  
224 equipment used primarily for agricultural purposes; but does not include vehicles required to be  
225 registered with the Motor Vehicle Division or vehicles or other equipment used for business  
226 purposes other than farming.

227 (14) "Geothermal fluid" means water in any form at temperatures greater than 120  
228 degrees centigrade naturally present in a geothermal system.

229 (15) "Geothermal resource" means:

230 (a) the natural heat of the earth at temperatures greater than 120 degrees centigrade;  
231 and

232 (b) the energy, in whatever form, including pressure, present in, resulting from, created  
233 by, or which may be extracted from that natural heat, directly or through a material medium.

234 (16) (a) "Goodwill" means:

235 (i) acquired goodwill that is reported as goodwill on the books and records:

236 (A) of a taxpayer; and

237 (B) that are maintained for financial reporting purposes; or

238 (ii) the ability of a business to:

239 (A) generate income:

240 (I) that exceeds a normal rate of return on assets; and

241 (II) resulting from a factor described in Subsection (16)(b); or

242 (B) obtain an economic or competitive advantage resulting from a factor described in  
243 Subsection (16)(b).

244 (b) The following factors apply to Subsection (16)(a)(ii):



- 245 (i) superior management skills;
- 246 (ii) reputation;
- 247 (iii) customer relationships;
- 248 (iv) patronage; or
- 249 (v) a factor similar to Subsections (16)(b)(i) through (iv).
- 250 (c) "Goodwill" does not include:
- 251 (i) the intangible property described in Subsection (20)(a) or (b);
- 252 (ii) locational attributes of real property, including:
- 253 (A) zoning;
- 254 (B) location;
- 255 (C) view;
- 256 (D) a geographic feature;
- 257 (E) an easement;
- 258 (F) a covenant;
- 259 (G) proximity to raw materials;
- 260 (H) the condition of surrounding property; or
- 261 (I) proximity to markets;
- 262 (iii) value attributable to the identification of an improvement to real property,
- 263 including:
- 264 (A) reputation of the designer, builder, or architect of the improvement;
- 265 (B) a name given to, or associated with, the improvement; or
- 266 (C) the historic significance of an improvement; or
- 267 (iv) the enhancement or assemblage value specifically attributable to the interrelation
- 268 of the existing tangible property in place working together as a unit.
- 269 (17) "Governing body" means:
- 270 (a) for a county, city, or town, the legislative body of the county, city, or town;
- 271 (b) for a local district under Title 17B, Limited Purpose Local Government Entities -
- 272 Local Districts, the local district's board of trustees;
- 273 (c) for a school district, the local board of education; or
- 274 (d) for a special service district under Title 17D, Chapter 1, Special Service District
- 275 Act:

276 (i) the legislative body of the county or municipality that created the special service  
277 district, to the extent that the county or municipal legislative body has not delegated authority  
278 to an administrative control board established under Section 17D-1-301; or

279 (ii) the administrative control board, to the extent that the county or municipal  
280 legislative body has delegated authority to an administrative control board established under  
281 Section 17D-1-301.

282 (18) (a) For purposes of Section 59-2-103:

283 (i) "household" means the association of persons who live in the same dwelling,  
284 sharing its furnishings, facilities, accommodations, and expenses; and

285 (ii) "household" includes married individuals, who are not legally separated, that have  
286 established domiciles at separate locations within the state.

287 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
288 commission may make rules defining the term "domicile."

289 (19) (a) Except as provided in Subsection (19)(c), "improvement" means a building,  
290 structure, fixture, fence, or other item that is permanently attached to land, regardless of  
291 whether the title has been acquired to the land, if:

292 (i) (A) attachment to land is essential to the operation or use of the item; and

293 (B) the manner of attachment to land suggests that the item will remain attached to the  
294 land in the same place over the useful life of the item; or

295 (ii) removal of the item would:

296 (A) cause substantial damage to the item; or

297 (B) require substantial alteration or repair of a structure to which the item is attached.

298 (b) "Improvement" includes:

299 (i) an accessory to an item described in Subsection (19)(a) if the accessory is:

300 (A) essential to the operation of the item described in Subsection (19)(a); and

301 (B) installed solely to serve the operation of the item described in Subsection (19)(a);

302 and

303 (ii) an item described in Subsection (19)(a) that:

304 (A) is temporarily detached from the land for repairs; and

305 (B) remains located on the land.

306 (c) Notwithstanding Subsections (19)(a) and (b), "improvement" does not include:

- 307 (i) an item considered to be personal property pursuant to rules made in accordance
- 308 with Section 59-2-107;
- 309 (ii) a moveable item that is attached to land:
- 310 (A) for stability only; or
- 311 (B) for an obvious temporary purpose;
- 312 (iii) (A) manufacturing equipment and machinery; or
- 313 (B) essential accessories to manufacturing equipment and machinery;
- 314 (iv) an item attached to the land in a manner that facilitates removal without substantial
- 315 damage to:
- 316 (A) the land; or
- 317 (B) the item; or
- 318 (v) a transportable factory-built housing unit as defined in Section 59-2-1502 if that
- 319 transportable factory-built housing unit is considered to be personal property under Section
- 320 59-2-1503.
- 321 (20) "Intangible property" means:
- 322 (a) property that is capable of private ownership separate from tangible property,
- 323 including:
- 324 (i) money;
- 325 (ii) credits;
- 326 (iii) bonds;
- 327 (iv) stocks;
- 328 (v) representative property;
- 329 (vi) franchises;
- 330 (vii) licenses;
- 331 (viii) trade names;
- 332 (ix) copyrights; and
- 333 (x) patents;
- 334 (b) a low-income housing tax credit;
- 335 (c) goodwill; or
- 336 (d) a renewable energy tax credit or incentive, including:
- 337 (i) a federal renewable energy production tax credit under Section 45, Internal Revenue

338 Code;

339 (ii) a federal energy credit for qualified renewable electricity production facilities under

340 Section 48, Internal Revenue Code;

341 (iii) a federal grant for a renewable energy property under American Recovery and

342 Reinvestment Act of 2009, Pub. L. No. 111-5, Section 1603; and

343 (iv) a tax credit under Subsection 59-7-614(2)(c).

344 (21) "Low-income housing tax credit" means:

345 (a) a federal low-income housing tax credit under Section 42, Internal Revenue Code;

346 or

347 (b) a low-income housing tax credit under:

348 (i) Section 59-7-607; or

349 (ii) Section 59-10-1010.

350 (22) "Metalliferous minerals" includes gold, silver, copper, lead, zinc, and uranium.

351 (23) "Mine" means a natural deposit of either metalliferous or nonmetalliferous

352 valuable mineral.

353 (24) "Mining" means the process of producing, extracting, leaching, evaporating, or

354 otherwise removing a mineral from a mine.

355 (25) (a) "Mobile flight equipment" means tangible personal property that is:

356 (i) owned or operated by an:

357 (A) air charter service;

358 (B) air contract service; or

359 (C) airline; and

360 (ii) (A) capable of flight;

361 (B) attached to an aircraft that is capable of flight; or

362 (C) contained in an aircraft that is capable of flight if the tangible personal property is

363 intended to be used:

364 (I) during multiple flights;

365 (II) during a takeoff, flight, or landing; and

366 (III) as a service provided by an air charter service, air contract service, or airline.

367 (b) (i) "Mobile flight equipment" does not include a spare part other than a spare

368 engine that is rotated:

- 369 (A) at regular intervals; and
- 370 (B) with an engine that is attached to the aircraft.
- 371 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 372 commission may make rules defining the term "regular intervals."
- 373 (26) "Nonmetalliferous minerals" includes, but is not limited to, oil, gas, coal, salts,
- 374 sand, rock, gravel, and all carboniferous materials.
- 375 (27) "Personal property" includes:
- 376 (a) every class of property as defined in Subsection (28) which is the subject of
- 377 ownership and not included within the meaning of the terms "real estate" and "improvements";
- 378 (b) gas and water mains and pipes laid in roads, streets, or alleys;
- 379 (c) bridges and ferries;
- 380 (d) livestock which, for the purposes of the exemption provided under Section
- 381 59-2-1112, means all domestic animals, honeybees, poultry, fur-bearing animals, and fish; and
- 382 (e) outdoor advertising structures as defined in Section 72-7-502.
- 383 (28) (a) "Property" means property that is subject to assessment and taxation according
- 384 to its value.
- 385 (b) "Property" does not include intangible property as defined in this section.
- 386 (29) "Public utility," for purposes of this chapter, means the operating property of a
- 387 railroad, gas corporation, oil or gas transportation or pipeline company, coal slurry pipeline
- 388 company, electrical corporation, telephone corporation, sewerage corporation, or heat
- 389 corporation where the company performs the service for, or delivers the commodity to, the
- 390 public generally or companies serving the public generally, or in the case of a gas corporation
- 391 or an electrical corporation, where the gas or electricity is sold or furnished to any member or
- 392 consumers within the state for domestic, commercial, or industrial use. Public utility also
- 393 means the operating property of any entity or person defined under Section 54-2-1 except water
- 394 corporations.
- 395 (30) "Real estate" or "real property" includes:
- 396 (a) the possession of, claim to, ownership of, or right to the possession of land;
- 397 (b) all mines, minerals, and quarries in and under the land, all timber belonging to
- 398 individuals or corporations growing or being on the lands of this state or the United States, and
- 399 all rights and privileges appertaining to these; and

400 (c) improvements.

401 (31) "Residential property," for the purposes of the reductions and adjustments under  
402 this chapter, means any property used for residential purposes as a primary residence. It does  
403 not include property used for transient residential use or condominiums used in rental pools.

404 (32) (a) "State-assessed commercial vehicle" means:

405 (i) any commercial vehicle, trailer, or semitrailer which operates interstate or intrastate  
406 to transport passengers, freight, merchandise, or other property for hire; or

407 (ii) any commercial vehicle, trailer, or semitrailer which operates interstate and  
408 transports the vehicle owner's goods or property in furtherance of the owner's commercial  
409 enterprise.

410 (b) "State-assessed commercial vehicle" does not include vehicles used for hire which  
411 are specified in Subsection (8)(c) as county-assessed commercial vehicles.

412 (33) "Taxable value" means fair market value less any applicable reduction allowed for  
413 residential property under Section 59-2-103.

414 (34) "Tax area" means a geographic area created by the overlapping boundaries of one  
415 or more taxing entities.

416 (35) "Taxing entity" means any county, city, town, school district, special taxing  
417 district, local district under Title 17B, Limited Purpose Local Government Entities - Local  
418 Districts, or other political subdivision of the state with the authority to levy a tax on property.

419 (36) "Tax roll" means a permanent record of the taxes charged on property, as extended  
420 on the assessment roll and may be maintained on the same record or records as the assessment  
421 roll or may be maintained on a separate record properly indexed to the assessment roll. It  
422 includes tax books, tax lists, and other similar materials.

423 Section 4. Section **59-2-926** is amended to read:

424 **59-2-926. Proposed tax increase by state -- Notice -- Contents -- Dates.**

425 If the state authorizes a levy pursuant to [~~Section 53A-17a-135 that exceeds the~~  
426 ~~certified revenue levy as defined in Section 53A-17a-103 or authorizes a levy pursuant to~~]  
427 Section 59-2-1602 that exceeds the certified revenue levy as defined in Section 59-2-102, the  
428 state shall publish a notice no later than 10 days after the last day of the annual legislative  
429 general session that meets the following requirements:

430 (1) (a) The Office of the Legislative Fiscal Analyst shall advertise that the state

431 authorized a levy that generates revenue in excess of the previous year's ad valorem tax  
 432 revenue, plus new growth, but exclusive of revenue from collections from redemptions,  
 433 interest, and penalties:

434 (i) in a newspaper of general circulation in the state; and

435 (ii) as required in Section 45-1-101.

436 (b) Except an advertisement published on a website, the advertisement described in  
 437 Subsection (1)(a):

438 (i) shall be no less than 1/4 page in size and the type used shall be no smaller than 18  
 439 point, and surrounded by a 1/4-inch border[?];

440 (ii) may not be placed in that portion of the newspaper where legal notices and  
 441 classified advertisements appear; and

442 (iii) shall be run once.

443 (2) The form and content of the notice shall be substantially as follows:

444 "NOTICE OF TAX INCREASE

445 The state has budgeted an increase in its property tax revenue from \$\_\_\_\_\_ to  
 446 \$\_\_\_\_\_ or \_\_\_\_%. The increase in property tax revenues will come from the following  
 447 sources (include all of the following provisions):

448 (a) \$\_\_\_\_\_ of the increase will come from (provide an explanation of the cause  
 449 of adjustment or increased revenues, such as reappraisals or factoring orders);

450 (b) \$\_\_\_\_\_ of the increase will come from natural increases in the value of the  
 451 tax base due to (explain cause of new growth, such as new building activity, annexation, etc.);

452 (c) a home valued at \$100,000 in the state of Utah which based on last year's (levy for  
 453 the basic state-supported school program, levy for the Property Tax Valuation Agency Fund, or  
 454 both) paid \$\_\_\_\_\_ in property taxes would pay the following:

455 (i) \$\_\_\_\_\_ if the state of Utah did not budget an increase in property tax revenue  
 456 exclusive of new growth; and

457 (ii) \$\_\_\_\_\_ under the increased property tax revenues exclusive of new growth  
 458 budgeted by the state of Utah."

459 Section 5. Section **59-10-1018** is amended to read:

460 **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

461 (1) As used in this section:

- 462 (a) "Dependent adult with a disability" means an individual who:
- 463 (i) a claimant claims as a dependent under Section 151, Internal Revenue Code, on the
- 464 claimant's federal individual income tax return for the taxable year;
- 465 (ii) is not the claimant or the claimant's spouse; and
- 466 (iii) is:
- 467 (A) 18 years of age or older;
- 468 (B) eligible for services under Title 62A, Chapter 5, Services for People with
- 469 Disabilities; and
- 470 (C) not enrolled in an education program for students with disabilities that is
- 471 authorized under Section 53A-15-301.
- 472 (b) "Dependent child with a disability" means an individual 21 years of age or younger
- 473 who:
- 474 (i) a claimant claims as a dependent under Section 151, Internal Revenue Code, on the
- 475 claimant's federal individual income tax return for the taxable year;
- 476 (ii) is not the claimant or the claimant's spouse; and
- 477 (iii) is:
- 478 (A) an eligible student with a disability; or
- 479 (B) identified under guidelines of the Department of Health as qualified for Early
- 480 Intervention or Infant Development Services.
- 481 (c) "Eligible student with a disability" means an individual who is:
- 482 (i) diagnosed by a school district representative under rules the State Board of
- 483 Education adopts in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
- 484 Act, as having a disability classified as autism, deafness, preschool developmental delay, dual
- 485 sensory impairment, hearing impairment, intellectual disability, multidisability, orthopedic
- 486 impairment, other health impairment, traumatic brain injury, or visual impairment;
- 487 (ii) not receiving residential services from the Division of Services for People with
- 488 Disabilities created under Section 62A-5-102 or a school established under Title 53A, Chapter
- 489 25b, Utah Schools for the Deaf and the Blind; and
- 490 (iii) (A) enrolled in an education program for students with disabilities that is
- 491 authorized under Section 53A-15-301; or
- 492 (B) a recipient of a scholarship awarded under Title 53A, Chapter 1a, Part 7, Carson



493 Smith Scholarships for Students with Special Needs Act.

494 (d) "Head of household filing status" means a head of household, as defined in Section  
495 2(b), Internal Revenue Code, who files a single federal individual income tax return for the  
496 taxable year.

497 (e) "Joint filing status" means:

498 (i) a husband and wife who file a single return jointly under this chapter for a taxable  
499 year; or

500 (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a  
501 single federal individual income tax return for the taxable year.

502 (f) "Single filing status" means:

503 (i) a single individual who files a single federal individual income tax return for the  
504 taxable year; or

505 (ii) a married individual who:

506 (A) does not file a single federal individual income tax return jointly with that married  
507 individual's spouse for the taxable year; and

508 (B) files a single federal individual income tax return for the taxable year.

509 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through  
510 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part  
511 equal to the sum of:

512 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal  
513 individual income tax return for the taxable year, 6% of the amount the claimant deducts as  
514 allowed as the standard deduction on the claimant's federal individual income tax return for  
515 that taxable year; or

516 (ii) for a claimant that itemizes deductions on the claimant's federal individual income  
517 tax return for the taxable year, the product of:

518 (A) the difference between:

519 (I) the amount the claimant deducts as allowed as an itemized deduction on the  
520 claimant's federal individual income tax return for that taxable year; and

521 (II) any amount of state or local income taxes the claimant deducts as allowed as an  
522 itemized deduction on the claimant's federal individual income tax return for that taxable year;  
523 and

524 (B) 6%; and  
525 (b) the product of:  
526 (i) ~~[75% of the total amount]~~ \$2,850 multiplied by the number of personal exemptions  
527 the claimant ~~[deducts]~~ claims as allowed as a personal exemption ~~[deduction]~~ on the claimant's  
528 federal individual income tax return for that taxable year, plus an additional ~~[75% of the~~  
529 ~~amount]~~ \$2,850 multiplied by the number of personal exemptions the claimant ~~[deducts]~~  
530 claims as allowed as a personal exemption ~~[deduction]~~ on the claimant's federal individual  
531 income tax return for that taxable year with respect to each dependent adult with a disability or  
532 dependent child with a disability; and  
533 (ii) 6%.  
534 (3) A claimant may not carry forward or carry back a tax credit under this section.  
535 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar  
536 by which a claimant's state taxable income exceeds:  
537 (a) for a claimant who has a single filing status, \$12,000;  
538 (b) for a claimant who has a head of household filing status, \$18,000; or  
539 (c) for a claimant who has a joint filing status, \$24,000.  
540 (5) (a) For taxable years beginning on or after January 1, 2009, the commission shall  
541 increase or decrease the following dollar amounts by a percentage equal to the percentage  
542 difference between the consumer price index for the preceding calendar year and the consumer  
543 price index for calendar year 2007:  
544 (i) the dollar amount listed in Subsection (4)(a); and  
545 (ii) the dollar amount listed in Subsection (4)(b).  
546 (b) After the commission increases or decreases the dollar amounts listed in Subsection  
547 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the  
548 nearest whole dollar.  
549 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b),  
550 the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that  
551 the dollar amount listed in Subsection (4)(c) is equal to the product of:  
552 (i) the dollar amount listed in Subsection (4)(a); and  
553 (ii) two.  
554 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer

555 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

556 Section 6. **Retrospective operation.**

557 (1) The amendments to the following sections have retrospective operation to January  
558 1, 2013:

559 (a) Section 53A-17a-103;

560 (b) Section 53A-17a-135;

561 (c) Section 59-2-102; and

562 (d) Section 59-2-926.

563 (2) The amendments to Section 59-10-1018 have retrospective operation for a taxable  
564 year beginning on or after January 1, 2013.

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**Legislative Review Note**  
as of 9-27-12 11:17 AM

**Office of Legislative Research and General Counsel**