

## HB0138S01 compared with HB0138

~~text~~ shows text that was in HB0138 but was deleted in HB0138S01.

text shows text that was not in HB0138 but was inserted into HB0138S01.

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Representative Marie H. Poulson proposes the following substitute bill:

### INDIVIDUAL INCOME TAX CREDIT FOR PURCHASE OF PUBLIC TRANSIT PASS AND RELATED FUNDING

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Marie H. Poulson**

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

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#### LONG TITLE

##### General Description:

This bill enacts an individual income tax credit and provides for transfers from the General Fund into the Education Fund in the amount of tax credit claimed.

##### Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ provides an individual income tax credit for the purchase of certain public transit passes;
- ▶ addresses apportionment of the tax credit;
- ▶ requires transfers from the General Fund into the Education Fund in the amount of

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tax credit claimed;

- ▶ grants rulemaking authority to the State Tax Commission; and
- ▶ makes technical and conforming changes.

### Money Appropriated in this Bill:

None

### Other Special Clauses:

This bill has retrospective operation for a taxable year beginning on or after January 1, 2013.

### Utah Code Sections Affected:

AMENDS:

**59-10-1002.2**, as last amended by Laws of Utah 2011, Chapter 302

ENACTS:

**59-10-1032**, Utah Code Annotated 1953

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

Section 1. Section **59-10-1002.2** is amended to read:

**59-10-1002.2. Apportionment of tax credits.**

(1) A nonresident individual or a part-year resident individual that claims a tax credit in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1021, 59-10-1022, 59-10-1023, 59-10-1024, [~~or~~] 59-10-1028, or 59-10-1032 may only claim an apportioned amount of the tax credit equal to:

(a) for a nonresident individual, the product of:

(i) the state income tax percentage for the nonresident individual; and

(ii) the amount of the tax credit that the nonresident individual would have been

allowed to claim but for the apportionment requirements of this section; or

(b) for a part-year resident individual, the product of:

(i) the state income tax percentage for the part-year resident individual; and

(ii) the amount of the tax credit that the part-year resident individual would have been

allowed to claim but for the apportionment requirements of this section.

(2) A nonresident estate or trust that claims a tax credit in accordance with Section 59-10-1017, 59-10-1020, 59-10-1022, 59-10-1024, or 59-10-1028 may only claim an

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apportioned amount of the tax credit equal to the product of:

- (a) the state income tax percentage for the nonresident estate or trust; and
- (b) the amount of the tax credit that the nonresident estate or trust would have been

allowed to claim but for the apportionment requirements of this section.

Section 2. Section **59-10-1032** is enacted to read:

**59-10-1032. Definitions -- Nonrefundable tax credit for purchase of a public transit pass.**

(1) As used in this section:

(a) "Eligible public transit pass holder" means the following individuals for whom a public transit pass is purchased:

(i) a claimant;

(ii) the claimant's spouse, if any; or

(iii) an individual who the claimant claims as a dependent under Section 151, Internal Revenue Code, on the claimant's federal individual income tax return for the taxable year.

(b) "Public transit pass" means a fare for public transit that is:

(i) purchased in a single transaction; and

(ii) valid for a time period of one month or more.

(c) "Public transit" means transportation:

(i) other than air transportation or water transportation;

(ii) of passengers only and their incidental baggage;

(iii) provided by a governmental entity; and

(iv) by means other than:

(A) chartered bus;

(B) sightseeing bus; or

(C) taxi.

(2) Except as provided in Section 59-10-1002.2, and subject to the other provisions of this section, for a taxable year beginning on or after January 1, 2013, but beginning on or before December 31, 2017, a claimant may claim a nonrefundable tax credit against a tax under this chapter for the ~~amount the taxpayer pays:~~

~~— (a) for a taxable year; and~~

~~— (b) to } purchase of one or more public transit passes for use in this state by an eligible~~

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public transit pass holder.

(3) A ~~{taxpayer}~~claimant may claim a tax credit under this section for ~~{the amount the taxpayer pays for}~~ a taxable year ~~{to}~~for the purchase of one or more public transit passes for use in this state by an eligible public transit pass holder if the ~~{taxpayer}~~claimant:

(a) pays at least \$450 for the taxable year to purchase one or more public transit passes for use by that eligible public transit pass holder;

(b) includes the amount in adjusted gross income;

(c) does not claim the amount as a deduction or tax credit on a state or federal individual income tax return for the taxable year, other than a tax credit under this section; and

(d) does not receive reimbursement for the amount from any other person.

(4) With respect to an eligible public transit pass holder, a tax credit under this section for a taxable year may not exceed the lesser of:

(a) 25% of the amount that exceeds \$450 that a claimant pays for that taxable year for the purchase of one or more public transit passes for use in this state by that eligible public transit pass holder; or

(b) \$100.

~~{4}~~5 (a) A claimant that claims a tax credit under this section shall retain a receipt for any amount for which the claimant claims a tax credit under this section.

(b) At the request of the commission, a claimant shall provide a receipt described in Subsection ~~{4}~~5(a) to the commission.

~~{5}~~6 A claimant may not carry forward or carry back a tax credit under this section.

~~{6}~~7 In accordance with any rules prescribed by the commission under Subsection ~~{7}~~8, the commission shall transfer at least annually from the General Fund into the Education Fund an amount equal to the amount of tax credit claimed under this section.

~~{7}~~8 In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules for making a transfer from the General Fund into the Education Fund as required by Subsection ~~{6}~~7.

### Section 3. **Retrospective operation.**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2013.

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~~Legislative Review Note~~

~~as of 2-12-13 8:38 AM~~

~~Office of Legislative Research and General Counsel~~