

**Representative Steve Eliason** proposes the following substitute bill:

**EDUCATOR TAX CREDIT AND RELATED STUDY**

2015 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Steve Eliason**

Senate Sponsor: Ann Millner

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**LONG TITLE**

**General Description:**

This bill enacts a tax credit and requires a related study.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ enacts a nonrefundable tax credit for certain expenses an educator incurs; and
- ▶ requires the State Board of Education to conduct a study related to the tax credit.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides a special effective date.

This bill provides for retrospective operation.

**Utah Code Sections Affected:**

ENACTS:

**59-10-1033**, Utah Code Annotated 1953

**Uncodified Material Affected:**

ENACTS UNCODIFIED MATERIAL

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

27 Section 1. Section **59-10-1033** is enacted to read:

28 **59-10-1033. Definitions -- Nonrefundable tax credit for eligible educator.**

29 (1) As used in this section:

30 (a) "Eligible educator" means a claimant who is:

31 (i) a teacher at a qualified school;

32 (ii) an instructor at a qualified school;

33 (iii) a counselor at a qualified school;

34 (iv) a principal at a qualified school; or

35 (v) an aide at a qualified school.

36 (b) (i) Subject to Subsection (1)(b)(ii), "qualified expense" means an amount paid or  
 37 incurred during a taxable year for the following if used ~~H~~→ **for educational purposes** ←~~H~~ in a  
 37a classroom:

38 (A) a book;

39 (B) computer equipment, including related software or a related service;

40 (C) other equipment;

41 (D) a supply; or

42 (E) supplementary material.

43 (ii) "Qualified expense" means, for purposes of a course in health or physical  
 44 education, an amount paid or incurred for an item described in Subsection (1)(b)(i) only if the  
 45 item is related to athletics.

46 (c) "Qualified school" means an elementary school or a secondary school that:

47 (i) is a public or private school located in the state; and

48 (ii) provides student instruction for one or more years of kindergarten through grade

49 12.

50 (2) Subject to the other provisions of this section, an eligible educator may claim a  
 51 nonrefundable tax credit against a tax under this chapter for a qualified expense if the:

52 (a) eligible educator includes the qualified expense in adjusted gross income;

53 (b) qualified expense is not reimbursed by another person; and

54 (c) eligible educator works at least 900 hours during a school year in a qualified school.

55 (3) (a) For an eligible educator other than an eligible educator described in Subsection  
 56 (3)(b), a tax credit under this section is equal to the lesser of:

57 (i) the qualified expenses the eligible educator incurs during the taxable year; or

58 (ii) \$50.

59 (b) For an eligible educator who files a single federal individual income tax return

60 jointly with the eligible educator's spouse, and the spouse is also an eligible educator, a tax

61 credit under this section is equal to the lesser of:

62 (i) the qualified expenses each eligible educator incurs during the taxable year; or

63 (ii) \$50 per eligible educator.

64 (4) An eligible educator who claims a tax credit under this section shall retain a receipt

65 for any amount for which the eligible educator claims a tax credit under this section.

66 (5) At the request of the commission, an eligible educator shall provide a receipt for

67 any amount for which the eligible educator claims a tax credit under this section.

68 (6) An eligible educator may not carry forward or carry back a tax credit under this

69 section.

70 **Section 2. State Board of Education study.**

71 (1) As used in this section, "eligible educator" has the same meaning as that term is

72 defined in Section [59-10-1033](#).

73 (2) During the 2015 interim, the State Board of Education shall study the following for

74 each school district:

75 (a) the types of items eligible educators purchase for use in a classroom in public

76 elementary or secondary schools; and

77 (b) the amount of expenses eligible educators incur during a school year to purchase

78 the items described in Subsection (2)(a).

79 (3) The State Board of Education shall report its findings and recommendations on the

80 study described in Subsection (2) to the Education Interim Committee at or before the

81 November 2015 interim meeting.

82 (4) For purposes of Subsection (3), the State Board of Education's findings and

83 recommendations shall include whether the amount of the tax credit provided for in Section

84 [59-10-1033](#) should be modified.

85 (5) This section is repealed on November 30, 2015.

86 **Section 3. Effective date -- Retrospective operation.**

87 (1) Except as provided in Subsection (2), this bill takes effect on May 12, 2015.

88           (2) The actions affecting Section [59-10-1033](#) have retrospective operation for a taxable  
89 year beginning on or after January 1, 2015.