

1 **Carson Smith Opportunity Scholarship Program Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: R. Neil Walter

3 **LONG TITLE**

4 **General Description:**

5 This bill amends provisions of certain scholarship programs.

6 **Highlighted Provisions:**

7 This bill:

- 8 ▶ eliminates income based eligibility requirements for the scholarship;
- 9 ▶ removes scholarship eligibility for a sibling;
- 10 ▶ aligns the scholarship requirements with the Utah Fits All Scholarship Program;
- 11 ▶ allows the scholarship granting organization to approve qualified providers and private
- 12 schools;
- 13 ▶ requires the scholarship granting organization to ensure physical education and
- 14 extracurricular caps are followed;
- 15 ▶ amends the definition of scholarship expense to be the same across multiple scholarship
- 16 programs;
- 17 ▶ establishes primary residency verification to be eligible for a scholarship;
- 18 ▶ creates a deadline for an eligible student to accept the scholarship that the scholarship
- 19 granting organization determines;
- 20 ▶ clarifies entities that are not eligible to be a qualified provider under the scholarship
- 21 program; and
- 22 ▶ makes technical and conforming changes.

23 **Money Appropriated in this Bill:**

24 None

25 **Other Special Clauses:**

26 This bill provides retrospective operation.

27 **Utah Code Sections Affected:**

28 AMENDS:

29 **53E-7-401 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

30 **53E-7-402 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

31 **53E-7-404 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

32 **53E-7-405 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

33 **53E-7-407 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

34 **53E-7-408 (Effective 05/06/26)**, as last amended by Laws of Utah 2024, Chapter 466

35 **53E-7-408.5 (Effective 05/06/26)**, as enacted by Laws of Utah 2024, Chapter 466

36 **59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed 07/01/29)**, as
 37 last amended by Laws of Utah 2025, Chapters 182, 323, 400, and 498

38 **59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws of
 39 Utah 2024, Chapter 466

40 **59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26)**, as last amended by Laws
 41 of Utah 2024, Chapter 466

42

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

44 Section 1. Section **53E-7-401** is amended to read:

45 **53E-7-401 (Effective 05/06/26). Definitions.**

46 As used in this part:

47 (1) "The Carson Smith Opportunity Scholarship Program" or "program" means the program
 48 established in Section 53E-7-402.

49 (2) "Eligible student" means[±]

50 [(±)] _a student who:

51 [(±)] (a) is:

52 [(A)] (i) eligible to participate in public school, in kindergarten, or grades 1 through
 53 12;

54 [(B)] (ii) enrolled in a qualifying school as defined in Subsection [(11)] (10);

55 [(C)] (iii) a home-based scholarship student as defined in Subsection [(6)] (4); or

56 [(D)] (iv) at least three years old before September 2 of the year the scholarship is
 57 awarded;

58 [(ii)] (b) is a primary resident of the state;

59 [(iii)] (c) has a qualified disability identified under 20 U.S.C. Sec. 140(3) as determined
 60 by:

61 [(A)] (i) having an IEP within the previous three years; or

- 62 ~~[(B)]~~ (ii) a multidisciplinary team evaluation described in Subsection ~~[(7)]~~ (5); ~~[and]~~
63 ~~[(iv)]~~ (d) during the school year for which the student is applying for the scholarship, is
64 not:
- 65 ~~[(A)]~~ (i) a student who receives a scholarship under the legacy Carson Smith
66 Scholarship Program created in Section 53F-4-302; [or]
- 67 (ii) a student who receives a scholarship under the Utah Fits All Scholarship Program
68 created in Section 53F-4-302; or
- 69 ~~[(B)]~~ (iii) enrolled as a public school student; ~~[or]~~
- 70 (e) provides verification of primary residence in this state, through a parent's income tax
71 records, utility bill, lease agreement, or property tax records; and
- 72 (f) for out-of-state military families through a parent attestation, is not enrolled in a
73 public school elsewhere while receiving the scholarship.
- 74 ~~[(b) a student who:]~~
- 75 ~~[(i) meets the requirement of Subsections (2)(a)(i) and (ii); and]~~
- 76 ~~[(ii) is a sibling of and resides in the same household as a student described in~~
77 ~~Subsection (2)(a) if:]~~
- 78 ~~[(A) the student described in Subsection (2)(a) is a scholarship student and has~~
79 ~~verified enrollment or intent to enroll at a qualifying school or participate in~~
80 ~~services provided by a qualifying provider; and]~~
- 81 ~~[(B) the sibling is applying for a scholarship to attend the same qualifying school~~
82 ~~or participate in the same services provided by a qualifying provider.]~~
- 83 (3)(a) "Employee" means an individual working in a position in which the individual's
84 salary, wages, pay, or compensation, including as a contractor, is paid from:
- 85 (i) program donations to a scholarship granting organization; or
- 86 (ii) scholarship money allocated to a qualifying school or qualifying provider by a
87 scholarship granting organization under Section 53E-7-405.
- 88 (b) "Employee" does not include an individual who volunteers at the scholarship
89 granting organization, qualifying school, or qualifying provider.
- 90 ~~[(4) "Family income" means the annual income of the parent, parents, legal guardian, or~~
91 ~~legal guardians with whom a scholarship student lives.]~~
- 92 ~~[(5) "Federal poverty level" means the poverty level as defined by the most recently revised~~
93 ~~poverty income guidelines published by the United States Department of Health and~~
94 ~~Human Services in the Federal Register.]~~
- 95 ~~[(6)]~~ (4) "Home-based scholarship student" means a student who:

- 96 (a) is eligible to participate in public school, in kindergarten or grades 1 through 12;
- 97 (b) ~~[is-]~~ attests to being excused from enrollment in an LEA ~~[in accordance with Section~~
- 98 ~~53G-6-204]~~to attend a home school; and
- 99 (c) receives a benefit from a scholarship under the program.
- 100 ~~[(7)]~~ (5) "Multidisciplinary evaluation team" means two or more individuals:
- 101 (a) who are qualified in two or more separate disciplines or professions; and
- 102 (b) who evaluate a child.
- 103 ~~[(8)]~~ (6) "Officer" means:
- 104 (a) a member of the board of a scholarship granting organization, qualifying school, or
- 105 qualifying provider; or
- 106 (b) the chief administrative officer of a scholarship granting organization , qualifying
- 107 school, or qualifying provider.
- 108 (7) "Primary residence" means the one location where an individual resides for the majority
- 109 of the year.
- 110 ~~[(9)]~~ (8) "Program donation" means a donation to the program under Section 53E-7-405.
- 111 ~~[(10)]~~ (9) "Qualifying provider" means:
- 112 (a) an entity that:
- 113 (i) is not a public school and is autonomous and not an agent of the state, in
- 114 accordance with Section 53E-7-406; and
- 115 (ii) meets the requirement described in Section 53E-7-403; and
- 116 (b) ~~[is-]~~an eligible service provider approved by the scholarship granting organization in
- 117 accordance with Section 53E-7-408.5.
- 118 ~~[(11)]~~ (10) "Qualifying school" means a private school that:
- 119 (a) provides kindergarten, elementary, or secondary education;
- 120 (b) is approved by the state board under Section 53E-7-408; and
- 121 (c) meets the requirements described in Section 53E-7-403.
- 122 ~~[(12)]~~ (11) "Relative" means a father, mother, husband, wife, son, daughter, sister, brother,
- 123 uncle, aunt, nephew, niece, first cousin, mother-in-law, father-in-law, brother-in-law,
- 124 sister-in-law, son-in-law, or daughter-in-law.
- 125 ~~[(13)]~~ (12) "Scholarship" means a grant awarded to an eligible student:
- 126 (a) by a scholarship granting organization out of program donations and appropriations
- 127 the Legislature provides; and
- 128 (b) for the purpose of paying for a scholarship expense.
- 129 ~~[(14)]~~ (13)(a) "Scholarship expense" means an expense that a parent or eligible student

- 130 incurs in the education of the eligible student for goods or a service that a qualifying
131 school or qualifying provider provides or facilitates, including:
- 132 [~~(a)~~] (i) published tuition and fees of a qualifying school or qualifying provider;
 - 133 [~~(b)~~] (ii) fees and instructional materials at a technical college;
 - 134 [~~(c)~~] (iii) tutoring services;
 - 135 [~~(d)~~] (iv) fees for after-school or summer education programs;
 - 136 [~~(e)~~] (v) textbooks, curricula, or other instructional materials, including any
137 supplemental materials or associated online instruction that a curriculum,
138 qualifying provider, or a qualifying school recommends;
 - 139 [~~(f)~~] (vi) educational software and applications;
 - 140 [~~(g)~~] (vii) supplies or other equipment related to an eligible student's educational
141 needs;
 - 142 [~~(h)~~] (viii) computer hardware or other technological devices that are intended
143 primarily for an eligible student's educational needs;
 - 144 [~~(i)~~] (ix) fees for the following examinations, or for a preparation course for the
145 following examinations, that the scholarship granting organization approves:
 - 146 [~~(i)~~] (A) a national norm-referenced or standardized assessment described in
147 Section 53F-6-410, an advanced placement examination, or another similar
148 assessment;
 - 149 [~~(ii)~~] (B) a state-recognized industry certification examination; and
 - 150 [~~(iii)~~] (C) an examination related to college or university admission;
 - 151 [~~(j)~~] (x) educational services for students with disabilities from a licensed or
152 accredited practitioner or provider, including occupational, behavioral, physical,
153 audiology, or speech-language therapies, or other licensed or accredited
154 practitioners approved by the scholarship granting organization;
 - 155 [~~(k)~~] (xi) contracted services that the scholarship granting organization approves and
156 that an LEA provides, including individual classes, after-school tutoring services,
157 transportation, or fees or costs associated with participation in extracurricular
158 activities, as long as the LEA does not require the scholarship student to enroll to
159 participate;
 - 160 [~~(l)~~] (xii) ride fees or fares for a fee-for-service transportation provider to transport the
161 eligible student to and from a qualifying school or qualifying provider, not to
162 exceed \$750 in a given school year;
 - 163 [~~(m)~~] (xiii)(A) expenses related to extracurricular activities, field trips, educational

164 supplements, physical education experiences, and other educational experiences
 165 not to exceed 20% of the total scholarship amount; [or] and
 166 (B) the 20% maximum for expenses related to extracurricular activities and
 167 physical education described in Subsection (13)(a)(xiii)(A) does not apply to
 168 expenses related to physical therapy expenses;
 169 (xiv) physical therapy expenses that are required to facilitate educational services; or
 170 [(n)] (xv) expenses the scholarship granting organization approves in accordance with
 171 Subsection 53E-7-405(3).

172 (b) Scholarship expense does not include:

173 (i) chaperone expenses;

174 (ii) season tickets, annual passes, or subscriptions to entertainment venues; and

175 (iii) the purchase of furniture.

176 [(15)] (14) "Scholarship granting organization" means an organization that is:

177 (a) qualified as tax exempt under Section 501(c)(3), Internal Revenue Code; and

178 (b) recognized through an agreement with the state board as a scholarship granting
 179 organization, as described in Section 53E-7-404.

180 [(16)] (15) "Scholarship student" means an eligible student, including a home-based
 181 scholarship student, who receives a scholarship under this part.

182 [(17)] (16) "Value of the weighted pupil unit" means the amount established each year in the
 183 enacted public education budget that is multiplied by the number of weighted pupil units
 184 to yield the funding level for the basic state-supported school program.

185 Section 2. Section **53E-7-402** is amended to read:

186 **53E-7-402 (Effective 05/06/26). Carson Smith Opportunity Scholarship Program.**

187 (1) There is established the Carson Smith Opportunity Scholarship Program under which a
 188 parent may apply to a scholarship granting organization on behalf of the parent's student
 189 for a scholarship to help cover the cost of a scholarship expense.

190 (2)~~[(a)]~~ A scholarship granting organization shall award, in accordance with this part,
 191 scholarships to eligible students.

192 ~~[(b) In awarding scholarships, a scholarship granting organization shall give priority to~~
 193 ~~an eligible student described in Subsection 53E-7-401(1)(a) by:]~~

194 ~~[(i) establishing an August 10 deadline for an eligible student described in Subsection~~
 195 ~~53E-7-401(1)(b) to apply for a scholarship; and]~~

196 ~~[(ii) awarding a scholarship to an eligible student described in Subsection~~
 197 ~~53E-7-401(2)(b) only if funds exist after awarding scholarships to all eligible~~

198 students described in Subsection 53E-7-401(2)(a) who have applied and qualify.]

199 [(e) Subject to available funds, a scholarship awarded to an eligible student described in
200 Subsection 53E-7-401(2)(b) shall be for a similar term as a scholarship awarded to
201 the eligible student's sibling.]

202 (3) A scholarship granting organization shall determine a full-year scholarship award to pay
203 for the cost of one or more scholarship expenses in an amount not more than[:]

204 [(a) for an eligible student described in Subsection 53E-7-401(2)(a)] , for a student who
205 is:

206 [(i) (a) in kindergarten through grade 12[and whose family income is:] , the value of the
207 weighted pupil unit multiplied by 2.5; and

208 [(A) at or below 185% of the federal poverty level, the value of the weighted pupil
209 unit multiplied by 2.5;]

210 [(B) except as provided in Subsection (3)(a)(i)(C), above 185% of the federal
211 poverty level, the value of the weighted pupil unit multiplied by two; or]

212 [(C) above 185% of the federal poverty level and the eligible student would have
213 received an average of 180 minutes per day or more of special education
214 services in a public school before transferring to a private school, the value of
215 the weighted pupil unit multiplied by 2.5; or]

216 [(ii) (b) in preschool[:] :

217 (i) for full-time enrollment, the value of the weighted pupil unit; or

218 (ii) for part-time enrollment, the value of the weighted pupil unit multiplied by 0.55.

219 [(b) for an eligible student described in Subsection 53E-7-401(2)(b), half the value of the
220 weighted pupil unit.]

221 (4)(a) A scholarship granting organization shall:

222 (i) establish and communicate to an eligible student a deadline by which the eligible
223 student must accept or deny the scholarship offer; and

224 (ii) communicate to an eligible student that failure to respond by the deadline
225 described in (4)(a)(i) may result in forfeiture of the scholarship offer.

226 (b) The State Tax Commission may, upon request, provide state individual income tax
227 information to a scholarship granting organization for residence verification purposes
228 regarding a given individual if:

229 (i) the individual voluntarily provides the individual's social security number to the
230 scholarship granting organization; and

231 (ii) the individual consents in writing to the sharing of state individual income tax

232 and residence information solely for the purpose of residency verification
 233 purposes.

234 (c) The State Tax Commission shall create and implement a residency verification
 235 process and tool to facilitate this verification process.

236 [(4)] (5) Eligibility for a scholarship as determined by a multidisciplinary evaluation team
 237 under this program does not establish eligibility for an IEP under the Individuals with
 238 Disabilities Education Act, Subchapter II, 20 U.S.C. Secs. 1400 to 1419, and is not
 239 binding on any LEA that is required to provide an IEP under the Individuals with
 240 Disabilities Education Act.

241 [(5)] (6) The scholarship granting organizations shall prepare and disseminate information
 242 on the program to a parent applying for a scholarship on behalf of a student.

243 Section 3. Section **53E-7-404** is amended to read:

244 **53E-7-404 (Effective 05/06/26). State board duties.**

245 (1) The state board shall:

246 (a) publish on the state board's website:

247 (i) information about the program; and

248 (ii) information about each scholarship granting organization;

249 (b) conduct a financial review or audit of a scholarship granting organization, if the state
 250 board receives evidence of fraudulent practice by the scholarship granting
 251 organization;

252 (c) conduct a criminal background check on each scholarship granting organization
 253 employee and scholarship granting organization officer;

254 (d) establish uniform financial accounting standards for scholarship granting
 255 organizations; and

256 (e) in accordance with Section 53E-1-202.1, annually submit a report on the program to
 257 the Public Education Appropriations Subcommittee that includes:

258 (i) administrative costs of the program;

259 (ii) the number of scholarship students that are eligible students [~~described in~~
 260 ~~Subsection 53E-7-401(2)(a) and the number of scholarship students that are~~
 261 ~~eligible students described in Subsection 53E-7-401(2)(b)] from each school
 262 district;~~

263 (iii) standards used by the scholarship granting organization to determine whether a
 264 student is an eligible student; and

265 (iv) savings to the state and LEAs as a result of scholarship students exiting the

- 266 public school system.
- 267 (2)(a) In accordance with Subsection (3) and Title 63G, Chapter 6a, Utah Procurement
268 Code, the state board shall issue a request for proposals and enter into at least one
269 agreement with an organization that is qualified as tax exempt under Section
270 501(c)(3), Internal Revenue Code, to be recognized by the state board as a
271 scholarship granting organization.
- 272 (b) An organization that responds to a request for proposals described in Subsection
273 (2)(a) shall submit the following information in the organization's response:
- 274 (i) a copy of the organization's incorporation documents;
- 275 (ii) a copy of the organization's Internal Revenue Service determination letter
276 qualifying the organization as being tax exempt under Section 501(c)(3), Internal
277 Revenue Code;
- 278 (iii) a description of the methodology the organization will use to verify that a student
279 is an eligible student under this part; and
- 280 (iv) a description of the organization's proposed scholarship application process.
- 281 (3)(a) The state board shall enter into an agreement described in Subsection (2)(a) with
282 one scholarship granting organization on or before January 1, 2021.
- 283 (b) The state board may enter into an agreement described in Subsection (2)(a) with
284 additional scholarship granting organizations after January 1, 2023, if the state board
285 makes rules regarding how multiple scholarship granting organizations may issue tax
286 credit certificates in accordance with Section 53E-7-407.
- 287 (c)(i) No later than 10 days after the day on which the state board enters into an
288 agreement with a scholarship granting organization, the state board shall forward
289 the name and contact information of the scholarship granting organization to the
290 State Tax Commission.
- 291 (ii) If, under Subsection (4)(c)(i), the state board bars a scholarship granting
292 organization from further participation in the program, the state board shall, no
293 later than 10 days after the day on which the state board bars the scholarship
294 granting organization, forward the name and contact information of the barred
295 scholarship granting organization to the State Tax Commission.
- 296 (4)(a) If the state board determines that a scholarship granting organization has violated
297 a provision of this part or state board rule, the state board shall send written notice to
298 the scholarship granting organization explaining the violation and the remedial action
299 required to correct the violation.

- 300 (b) A scholarship granting organization that receives a notice described in Subsection
301 (4)(a) shall, no later than 60 days after the day on which the scholarship granting
302 organization receives the notice, correct the violation and report the correction to the
303 state board.
- 304 (c)(i) If a scholarship granting organization that receives a notice described in
305 Subsection (4)(a) fails to correct a violation in the time period described in
306 Subsection (4)(b), the state board may bar the scholarship granting organization
307 from further participation in the program.
- 308 (ii) A scholarship granting organization may appeal a decision made by the state
309 board under Subsection (4)(c)(i) in accordance with Title 63G, Chapter 4,
310 Administrative Procedures Act.
- 311 (d) A scholarship granting organization may not accept program donations while the
312 scholarship granting organization:
313 (i) is barred from participating in the program under Subsection (4)(c)(i); or
314 (ii) has an appeal pending under Subsection (4)(c)(ii).
- 315 (e) A scholarship granting organization that has an appeal pending under Subsection
316 (4)(c)(ii) may continue to administer scholarships from previously donated program
317 donations during the pending appeal.
- 318 (5) The state board shall provide for a process for a scholarship granting organization to
319 report information as required under Section 53E-7-405.
- 320 (6) The state board shall make rules in accordance with Title 63G, Chapter 3, Utah
321 Administrative Rulemaking Act, to administer the program, including rules for:
322 (a) the administration of scholarships to a qualifying school or qualifying provider
323 receiving scholarship money from a scholarship granting organization that is barred
324 from participating in the program under Subsection (4)(c)(i);
325 (b) when an eligible student does not continue in enrollment at a qualifying school or
326 participation in services provided by a qualifying provider:
327 (i) requiring the scholarship granting organization to:
328 (A) notify the state board; and
329 (B) obtain reimbursement of scholarship money from the qualifying school in
330 which the eligible student is no longer enrolled or qualifying provider in which
331 the eligible student is no longer participating; and
332 (ii) requiring the qualifying school or qualifying provider in which the eligible
333 student is no longer enrolled to reimburse scholarship money to the scholarship

- 334 granting organization;
- 335 (c) audit and report requirements as described in Section 53E-7-405; and
- 336 (d) requiring the scholarship granting organization, in accordance with the Family
337 Educational Rights and Privacy Act, 20 U.S.C. Sec. 1232g, to submit to the state
338 board:
- 339 (i) the number of scholarship students that are eligible students [~~described in~~
340 ~~Subsection 53E-7-401(2)(a) and the number of scholarship students that are~~
341 ~~eligible students described in Subsection 53E-7-401(2)(b)] from each school
342 district;~~
- 343 (ii) standards used to determine whether a student is an eligible student; and
- 344 (iii) any other information requested by the Public Education Appropriations
345 Subcommittee for the state board to include in the annual report described in
346 Section 53E-1-202.1.
- 347 Section 4. Section **53E-7-405** is amended to read:
- 348 **53E-7-405 (Effective 05/06/26). Program donations -- Scholarship granting**
349 **organization requirements -- Legislative appropriations.**
- 350 (1) A person that makes a donation to a scholarship granting organization to help fund
351 scholarships through the program may be eligible to receive a nonrefundable tax credit
352 as described in Sections 59-7-625 and 59-10-1041.
- 353 (2) In accordance with Section 53E-7-404, an organization may enter into an agreement
354 with the state board to be a scholarship granting organization.
- 355 (3) A scholarship granting organization shall:
- 356 (a) accept program donations and allow a person that makes a program donation to
357 designate a qualifying school or qualifying provider to which the donation shall be
358 directed for scholarships;
- 359 (b) adopt an application process in accordance with Subsection (5);
- 360 (c) review scholarship applications and determine scholarship awards;
- 361 (d) allocate scholarship money to a scholarship student's parent or, on the parent's
362 behalf, to a qualifying school or qualifying provider in which the scholarship student
363 is enrolled or participates;
- 364 (e) adopt a process, with state board approval, that allows a parent to use a scholarship to
365 pay for a nontuition scholarship expense for the scholarship student;
- 366 (f) ensure that during the state fiscal year:
- 367 (i) at least 92% of the scholarship granting organization's revenue from program

- 368 donations and other funding sources are spent on scholarships;
- 369 (ii) up to 5% of the scholarship granting organization's revenue from program
370 donations and other funding sources are spent on administration of the program;
- 371 (iii) up to 3% of the scholarship granting organization's revenue from program
372 donations and other funding sources are spent on marketing and fundraising costs;
373 and
- 374 (iv) all revenue from interest or investments is spent on scholarships;
- 375 (g) carry forward no more than 60% of the scholarship granting organization's funds,
376 less funds for a scholarship that has been awarded, and funds expended for
377 administration and marketing, from the state fiscal year in which the scholarship
378 granting organization received the funds to the following state fiscal year;
- 379 (h) at the end of a state fiscal year, remit to the state treasurer donation amounts greater
380 than the amount described in Subsection (3)(g);
- 381 (i) prohibit a scholarship granting organization employee or officer from handling,
382 managing, or processing program donations or other funds, if, based on a criminal
383 background check conducted by the state board in accordance with Section 53E-7-404,
384 the state board identifies the employee or officer as posing a risk to the appropriate
385 use of program donations or other funds;
- 386 (j) ensure that a scholarship can be transferred during the school year to a different
387 qualifying school or qualifying provider that accepts the scholarship student;
- 388 (k) report to the state board on or before November 1 of each year the following
389 information, prepared by a certified public accountant:
- 390 (i) the name and address of the scholarship granting organization;
- 391 (ii) the total number and total dollar amount of program donations and other funding
392 sources that the scholarship granting organization received during the previous
393 calendar year;
- 394 (iii)~~[(A)]~~ the total number and total dollar amount of scholarships the scholarship
395 granting organization awarded during the previous state fiscal year to eligible
396 students~~[-described in Subsection 53E-7-401(2)(a)]~~; and
397 ~~[(B) the total number and total dollar amount of scholarships the scholarship
398 granting organization awarded during the previous state fiscal year to eligible
399 students described in Subsection 53E-7-401(2)(b); and]~~
- 400 (iv) the percentage of first-time scholarship recipients who were enrolled in a public
401 school during the previous school year or who entered kindergarten or a higher

- 402 grade for the first time in [~~Utah~~] this state;
- 403 (l) issue tax credit certificates as described in Section 53E-7-407; [~~and~~]
- 404 (m)(i) require a parent to notify a scholarship granting organization if the parent's
- 405 scholarship recipient:
- 406 (A) receives scholarship money for tuition expenses; and
- 407 (B) does not have continuing enrollment and attendance at a qualifying school; or
- 408 (ii) has transitioned to be a home-based student[-] ;
- 409 (n) verify an applicants Utah residency through:
- 410 (i) the State Tax Commission as described in Section 53E-7-402; or
- 411 (ii) at least two forms of documentation, including a:
- 412 (A) current Utah drivers license;
- 413 (B) valid Utah voter registration card;
- 414 (C) utility bill dated within the last 60 days;
- 415 (D) current Utah vehicle registration; or
- 416 (E) Utah tax return from the previous year;
- 417 (o) ensure that combined expenses from extracurricular activities and physical education
- 418 do not exceed 20% of the total scholarship amount;
- 419 (p) facilitate an appeals process for denied reimbursements;
- 420 (q) be prohibited from charging any processing fees to an eligible student or pass on
- 421 third-party fees related to the use or management of scholarship funds; and
- 422 (r) conduct an annual independent audit and publicly disclose all third-party contracts
- 423 and fees.
- 424 (4) The state treasurer shall deposit the money described in Subsection (3)(h) into the
- 425 Income Tax Fund.
- 426 (5)(a) An application for a scholarship shall contain an acknowledgment by the
- 427 applicant's parent that the qualifying school or qualifying provider selected by the
- 428 parent for the applicant to attend or participate in using a scholarship is capable of
- 429 providing the level of disability services required for the student.
- 430 (b) A scholarship application form shall contain the following statement:
- 431 "I acknowledge that:
- 432 (1) A private school may not provide the same level of disability services that are provided
- 433 in a public school;
- 434 (2) I will assume full financial responsibility for the education of my scholarship recipient
- 435 if I accept this scholarship;

- 436 (3) Acceptance of this scholarship has the same effect as a parental refusal to consent to
437 services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with Disabilities
438 Education Act, 20 U.S.C. Sec. 1400 et seq.; and
- 439 (4) My child may return to a public school at any time."
- 440 (c) Upon acceptance of a scholarship, the parent assumes full financial responsibility for
441 the education of the scholarship recipient.
- 442 (d) Acceptance of a scholarship has the same effect as a parental refusal to consent to
443 services as described in 24 C.F.R. Sec. 300.300, issued under the Individuals with
444 Disabilities Education Act, 20 U.S.C. Sec. 1400 et seq.
- 445 (e) The creation of the program or granting of a scholarship does not:
- 446 (i) imply that a public school did not provide a free and appropriate public education
447 for a student; or
- 448 (ii) constitute a waiver or admission by the state.
- 449 (6) A scholarship granting organization shall demonstrate the scholarship granting
450 organization's financial accountability by annually submitting to the state board a
451 financial information report that:
- 452 (a) complies with the uniform financial accounting standards described in Section
453 53E-7-404; and
- 454 (b) is prepared by a certified public accountant.
- 455 (7)(a) [~~If a scholarship granting organization allocates \$500,000 or more in scholarships~~
456 ~~annually through the program, the~~] The scholarship granting organization shall:
- 457 (i) contract for an annual audit, conducted by a certified public accountant who is
458 independent from:
- 459 (A) the scholarship granting organization; and
- 460 (B) the scholarship granting organization's accounts and records pertaining to
461 program donations and other funding sources; and
- 462 (ii) in accordance with Subsection (7)(b), report the results of the audit to the state
463 board for review.
- 464 (b) For the report described in Subsection (7)(a)(ii), the scholarship granting
465 organization shall:
- 466 (i) include the scholarship granting organization's financial statements in a format
467 that meets generally accepted accounting standards; and
- 468 (ii) submit the report to the state board no later than November 1.
- 469 (c) The certified public accountant shall conduct an audit described in Subsection

- 470 (7)(a)(i) in accordance with generally accepted auditing standards and rules made by
471 the state board.
- 472 (d)(i) The state board shall review a report submitted under this section and may
473 request that the scholarship granting organization revise or supplement the report
474 if the report is not in compliance with the provisions of this Subsection (7) or rules
475 adopted by the state board.
- 476 (ii) A scholarship granting organization shall provide a revised report or supplement
477 to the report no later than 45 days after the day on which the state board makes a
478 request described in Subsection (7)(d)(i).
- 479 (8)(a) A scholarship granting organization may not allocate scholarship money to a
480 qualifying school or qualifying provider if:
- 481 (i) the scholarship granting organization determines that the qualifying school or
482 qualifying provider intentionally or substantially misrepresented information on
483 overpayment;
- 484 (ii) the qualifying school or qualifying provider fails to refund an overpayment in a
485 timely manner; or
- 486 (iii) the qualifying school or qualifying provider routinely fails to provide scholarship
487 recipients with promised educational goods or services.
- 488 (b) A scholarship granting organization shall notify a scholarship recipient if the
489 scholarship granting organization stops allocation of the recipient's scholarship
490 money to a qualifying school or qualifying provider under Subsection (8)(a).
- 491 (9) If a scholarship recipient transfers to another qualifying school or qualifying provider
492 during the school year, the scholarship granting organization may prorate scholarship
493 money between the qualifying schools or qualifying providers according to the time the
494 scholarship recipient spends at each school or each provider.
- 495 (10) A scholarship granting organization may not:
- 496 (a) award a scholarship to a relative of the scholarship granting organization's officer; or
497 (b) allocate scholarship money to a qualifying school or qualifying provider at which the
498 scholarship recipient has a relative who is an officer or an administrator of the
499 qualifying school or qualifying provider.
- 500 (11) The Legislature may appropriate funds to the board to be distributed in an equal
501 amount to each scholarship granting organization for the same purposes program
502 donations are used.
- 503 Section 5. Section **53E-7-407** is amended to read:

504 **53E-7-407 (Effective 05/06/26). Tax credit certificates issued by a scholarship**
505 **granting organization.**

506 (1) In accordance with this section, a scholarship granting organization shall provide a tax
507 credit certificate, on a form provided by the State Tax Commission, to a person that
508 makes a donation as described in Section 53E-7-405.

509 (2)(a) The scholarship granting organization shall provide the information from a
510 completed tax credit certificate to the State Tax Commission electronically and in a
511 manner prescribed by the State Tax Commission on or before the end of each April
512 following the close of the taxable year for which a tax credit certificate is issued.

513 (b) A scholarship granting organization shall issue a tax credit certificate within 30 days
514 after the day on which a person makes a donation to the program.

515 (3)(a) Before accepting a donation to the program from a person, the scholarship
516 granting organization shall provide the person with notice:

517 (i) that the donation may not be eligible for a tax credit;

518 (ii) of the process described in Subsection (3)(b); and

519 (iii) of the total amount of tax credit certificates that the scholarship granting
520 organization has issued for the calendar year.

521 (b) During a calendar year, a scholarship granting organization shall:

522 (i) issue tax credit certificates in the order that the scholarship granting organization
523 received a corresponding donation; and

524 (ii) track the total amount of program donations received during the year as
525 corresponding tax credit certificates are issued.

526 (c) If a scholarship granting organization accepts a donation that, when added to the
527 current total amount of program donations received that year, will exceed the
528 program donations cap described in Subsection (4), the scholarship granting
529 organization shall issue a tax credit certificate in the amount that is the difference
530 between the program donations cap and the total amount of program donations
531 received before the donation was received.

532 (4)(a) The program donations cap for the 2021 calendar year is \$5,940,000.

533 (b) For a calendar year after 2021, the state board shall calculate the program donations
534 cap as follows:

535 (i) if the total program donations for the previous calendar year exceed 90% of the
536 cap amount for that calendar year, the cap for the current calendar year is the cap
537 amount for the previous calendar year increased by 10% plus a percentage equal

- 538 to the percentage of growth in the participation of the program from the previous
539 calendar year; or
- 540 (ii) if the total program donations for the previous calendar year did not exceed 90%
541 of the cap amount for that calendar year, the cap for the current calendar year is
542 the same as the cap amount for the previous calendar year.
- 543 (5) A person that receives a tax credit certificate in accordance with this section shall retain
544 the certificate for the same time period a person is required to keep books and records
545 under Section 59-1-1406.
- 546 (6) Except as provided in Subsection (7), if a tax credit is issued under this Section for a
547 donation, the tax credit shall be issued for the taxable year in which the donation is made.
- 548 (7) Notwithstanding Subsection (6), if a tax credit is issued under this section for a
549 donation, a tax credit may be issued for the previous taxable year if:
- 550 (a) the donation is made on or before the fifteenth day of April following the end of the
551 previous taxable year;
- 552 (b) the person receiving the tax credit certifies in writing that they will not claim a
553 deduction or credit on the person's federal income tax return for the donation amount
554 to the extent that they claim a tax credit under Section 59-7-625 or Section
555 59-10-1041 for the same donation; and
- 556 (c) the scholarship granting organization includes in the report described in Subsection
557 (2), the date the donation was made.
- 558 (8) For purposes of calculating the donation cap described in Subsection (4), a tax credit
559 amount shall count against the donation cap for the year the tax credit may be claimed.
- 560 Section 6. Section **53E-7-408** is amended to read:
- 561 **53E-7-408 (Effective 05/06/26). Eligible private schools.**
- 562 (1) To be eligible [to enroll a scholarship student] to receive scholarship funds on behalf of a
563 scholarship student as an eligible school, a private school shall:
- 564 (a) have a physical location in [Utah] the state where the scholarship students attend
565 classes and have direct contact with the school's teachers;
- 566 (b)(i) contract with an independent licensed certified public accountant to conduct an
567 Agreed Upon Procedures engagement as adopted by the state board, or obtain an
568 audit and report from a licensed independent certified public accountant that
569 conforms with the following requirements:
- 570 (A) the audit shall be performed in accordance with generally accepted auditing
571 standards;

- 572 (B) the financial statements shall be presented in accordance with generally
573 accepted accounting principles; and
- 574 (C) the audited financial statements shall be as of a period within the last 12
575 months; and
- 576 (ii) submit the audit report or report of the agreed upon procedure to the state board
577 when the private school applies to accept scholarship [students] funds;
- 578 (c) comply with the antidiscrimination provisions of 42 U.S.C. 2000d;
- 579 (d) meet state and local health and safety laws and codes;
- 580 (e) provide a written disclosure to the parent of each prospective student, before the
581 student is enrolled, of:
- 582 (i) the special education services that will be provided to the scholarship student,
583 including the cost of those services;
- 584 (ii) tuition costs;
- 585 (iii) additional fees a parent will be required to pay during the school year; and
- 586 (iv) the skill or grade level of the curriculum in which the prospective student will
587 participate;
- 588 (f)(i) administer an annual assessment of each scholarship student's academic
589 progress; and
- 590 (ii) report the results of the assessment described in Subsection (1)(f)(i) to the
591 scholarship student's parent;
- 592 (g) employ or contract with teachers who:
- 593 (i) hold baccalaureate or higher degrees;
- 594 (ii) have at least three years of teaching experience in public or private schools; or
- 595 (iii) have the necessary skills, knowledge, or expertise that qualifies the teacher to
596 provide instruction:
- 597 (A) in the subject or subjects taught; and
- 598 (B) to the special needs students taught;
- 599 (h) maintain documentation demonstrating that teachers at the private school meet the
600 qualifications described in Subsection (1)(g);
- 601 (i) require the following individuals to submit to a nationwide, fingerprint-based
602 criminal background check and ongoing monitoring, in accordance with Section
603 53G-11-402, as a condition for employment or appointment, as authorized by the
604 Adam Walsh Child Protection and Safety Act of 2006, Pub. L. No. 109-248:
- 605 (i) an employee who does not hold a current Utah educator license issued by the state

- 606 board under Chapter 6, Education Professional Licensure;
- 607 (ii) a contract employee; and
- 608 (iii) a volunteer who is given significant unsupervised access to a student in
- 609 connection with the volunteer's assignment; and
- 610 (j) provide to the parent of a scholarship student the relevant credentials of the teachers
- 611 who will be teaching the scholarship student.
- 612 (2) A private school described in Subsection (1) is not eligible to ~~enroll~~ receive scholarship [
- 613 students] funds if:
- 614 (a) the private school requires a student to sign a contract waiving the student's rights to
- 615 transfer to another qualifying school during the school year;
- 616 (b) the audit report submitted under Subsection (1)(b) contains a going concern
- 617 explanatory paragraph;
- 618 (c) the report of the agreed upon procedures submitted under Subsection (1)(b) shows
- 619 that the private school does not have adequate working capital to maintain operations
- 620 for the first full year, as determined under Subsection (1)(b); or
- 621 (d) the private school charges a scholarship student more in tuition or fees than another
- 622 student based solely upon the scholarship student being a scholarship recipient under
- 623 this part.
- 624 (3) Residential treatment facilities licensed by the state are not eligible to enroll scholarship
- 625 students.
- 626 (4) A private school intending to enroll scholarship students and receive scholarship funds
- 627 shall:
- 628 (a) submit an application to the state board[-] ; and
- 629 (b) agree to not refund, rebate, or share scholarship funds with a scholarship student or
- 630 scholarship student's parent in any manner except for remittances or refunds
- 631 processed through the scholarship granting organization to a scholarship account in
- 632 accordance with this part and procedures that the scholarship granting organization
- 633 establishes.
- 634 (5) The state board shall:
- 635 (a) approve a private school's application to enroll scholarship students, if the private
- 636 school meets the eligibility requirements of this section; and
- 637 (b) publish on the state board's website, a list of private schools approved under this
- 638 section.
- 639 (6) A private school approved under this section that changes ownership shall cease

640 operation as an eligible school until the private school:

641 (a) submit a new application to the state board; and

642 (b) [~~demonstrate~~] demonstrates that the private school continues to meet the eligibility
643 requirements of this section.

644 Section 7. Section **53E-7-408.5** is amended to read:

645 **53E-7-408.5 (Effective 05/06/26). Eligible service provider.**

646 (1) To be an eligible service provider, a private program or service:

647 (a) shall provide to the scholarship granting organization:

648 (i) a federal employer identification number;

649 (ii) the provider's address and contact information;

650 (iii) a description of each program or service the provider proposes to offer directly to
651 a scholarship student; and

652 (iv) subject to Subsection (2), any other information as required by the scholarship
653 granting organization;

654 (b) shall comply with the antidiscrimination provisions of 42 U.S.C. Sec. 2000d; and

655 (c) may not act as a consultant, clearing house, or intermediary that connects a
656 scholarship student with or otherwise facilitates the student's engagement with a
657 program or service that another entity provides.

658 (2) The scholarship granting organization shall adopt policies that maximize the number of
659 eligible service providers, including accepting new providers throughout the school year,
660 while ensuring education programs or services provided through the program meet
661 student needs and otherwise comply with this part.

662 (3) A private program or service intending to receive scholarship funds shall:

663 (a) submit an application to the scholarship granting organization; [~~and~~]

664 (b) complete all required orientation programs established by the scholarship granting
665 organization before receiving any scholarship funds and maintain a current
666 orientation status throughout participation in the program; and

667 [~~(b)~~] (c) agree to not refund, rebate, or share scholarship funds with scholarship students
668 or scholarship students' parents in any manner except remittances or refunds to a
669 scholarship account in accordance with this part and procedures that the program
670 manager establishes.

671 (4) The scholarship granting organization shall:

672 (a) if the private program or service meets the eligibility requirements of this section,

673 recognize the private program or service as an eligible service provider and approve a

674 private program or service's application to receive scholarship funds on behalf of a
675 scholarship student; and

676 (b) make available to the public a list of eligible service providers approved under this
677 section.

678 (5) A private program or service approved under this section that changes ownership shall:

679 (a) cease operation as an eligible service provider until:

680 (i) the program or service submits a new application to the scholarship granting
681 organization; and

682 (ii) the scholarship granting organization approves the new application; and

683 (b) demonstrate that the private program or service continues to meet the eligibility
684 requirements of this section.

685 (6) The following are not eligible service providers:

686 (a) a parent of a home-based scholarship student or a home school student solely in
687 relation to the parent's child; or

688 (b) any other individual that does not meet the requirements described in this section.

689 (7) Nothing prohibits an entity that provides education services under the Statewide Online
690 Education Program described in Title 53F, Chapter 4, Part 5, Statewide Online
691 Education Program, from operating as an eligible service provider under this part to
692 provide education services to scholarship students.

693 Section 8. Section **59-1-403** is amended to read:

694 **59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed 07/01/29).**

695 **Confidentiality -- Exceptions -- Penalty -- Application to property tax.**

696 (1) As used in this section:

697 (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:

698 (i) the commission administers under:

699 (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax
700 Act;

701 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

702 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

703 (D) Section 19-6-805;

704 (E) Section 63H-1-205; or

705 (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
706 Charges; and

707 (ii) with respect to which the commission distributes the revenue collected from the

- 708 tax, fee, or charge to a qualifying jurisdiction.
- 709 (b) "GOEO" means the Governor's Office of Economic Opportunity created in Section
710 63N-1a-301.
- 711 (c) "Qualifying jurisdiction" means:
- 712 (i) a county, city, or town;
- 713 (ii) the military installation development authority created in Section 63H-1-201;
- 714 (iii) the Utah Inland Port Authority created in Section 11-58-201; or
- 715 (iv) the Utah Fairpark Area Investment and Restoration District created in Section
716 11-70-201.
- 717 (2)(a) Any of the following may not divulge or make known in any manner any
718 information gained by that person from any return filed with the commission:
- 719 (i) a tax commissioner;
- 720 (ii) an agent, clerk, or other officer or employee of the commission; or
- 721 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or
722 town.
- 723 (b) An official charged with the custody of a return filed with the commission is not
724 required to produce the return or evidence of anything contained in the return in any
725 action or proceeding in any court, except:
- 726 (i) in accordance with judicial order;
- 727 (ii) on behalf of the commission in any action or proceeding under:
- 728 (A) this title; or
- 729 (B) other law under which persons are required to file returns with the
730 commission;
- 731 (iii) on behalf of the commission in any action or proceeding to which the
732 commission is a party; or
- 733 (iv) on behalf of any party to any action or proceeding under this title if the report or
734 facts shown by the return are directly involved in the action or proceeding.
- 735 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may
736 admit in evidence, any portion of a return or of the facts shown by the return, as are
737 specifically pertinent to the action or proceeding.
- 738 (d) Notwithstanding any other provision of state law, a person described in Subsection
739 (2)(a) may not divulge or make known in any manner any information gained by that
740 person from any return filed with the commission to the extent that the disclosure is
741 prohibited under federal law.

- 742 (3) This section does not prohibit:
- 743 (a) a person or that person's duly authorized representative from receiving a copy of any
- 744 return or report filed in connection with that person's own tax;
- 745 (b) the publication of statistics as long as the statistics are classified to prevent the
- 746 identification of particular reports or returns; and
- 747 (c) the inspection by the attorney general or other legal representative of the state of the
- 748 report or return of any taxpayer:
- 749 (i) who brings action to set aside or review a tax based on the report or return;
- 750 (ii) against whom an action or proceeding is contemplated or has been instituted
- 751 under this title; or
- 752 (iii) against whom the state has an unsatisfied money judgment.
- 753 (4)(a) Notwithstanding Subsection (2) and for purposes of administration, the
- 754 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah
- 755 Administrative Rulemaking Act, provide for a reciprocal exchange of information
- 756 with:
- 757 (i) the United States Internal Revenue Service; or
- 758 (ii) the revenue service of any other state.
- 759 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and
- 760 corporate franchise tax, the commission may by rule, made in accordance with Title
- 761 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered
- 762 from returns and other written statements with the federal government, any other
- 763 state, any of the political subdivisions of another state, or any political subdivision of
- 764 this state, except as limited by Sections 59-12-209 and 59-12-210, if the political
- 765 subdivision, other state, or the federal government grant substantially similar
- 766 privileges to this state.
- 767 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and
- 768 corporate franchise tax, the commission may by rule, in accordance with Title 63G,
- 769 Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of
- 770 information concerning the identity and other information of taxpayers who have
- 771 failed to file tax returns or to pay any tax due.
- 772 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the
- 773 Division of Environmental Response and Remediation, as defined in Section
- 774 19-6-402, as requested by the director of the Division of Environmental Response
- 775 and Remediation, any records, returns, or other information filed with the

- 776 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section
777 19-6-410.5 regarding the environmental assurance program participation fee.
- 778 (e) Notwithstanding Subsection (2), at the request of any person the commission shall
779 provide that person sales and purchase volume data reported to the commission on a
780 report, return, or other information filed with the commission under:
- 781 (i) Chapter 13, Part 2, Motor Fuel; or
782 (ii) Chapter 13, Part 4, Aviation Fuel.
- 783 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,
784 as defined in Section 59-22-202, the commission shall report to the manufacturer:
- 785 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
786 manufacturer and reported to the commission for the previous calendar year under
787 Section 59-14-407; and
- 788 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
789 manufacturer for which a tax refund was granted during the previous calendar
790 year under Section 59-14-401 and reported to the commission under Subsection
791 59-14-401(1)(a)(v).
- 792 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,
793 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is
794 prohibited from selling cigarettes to consumers within the state under Subsection
795 59-14-210(2).
- 796 (h) Notwithstanding Subsection (2), the commission may:
- 797 (i) provide to the Division of Consumer Protection within the Department of
798 Commerce and the attorney general data:
799 (A) reported to the commission under Section 59-14-212; or
800 (B) related to a violation under Section 59-14-211; and
- 801 (ii) upon request, provide to any person data reported to the commission under
802 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 803 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee
804 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's
805 Office of Planning and Budget, provide to the committee or office the total amount of
806 revenue collected by the commission under Chapter 24, Radioactive Waste Facility
807 Tax Act, for the time period specified by the committee or office.
- 808 (j) Notwithstanding Subsection (2), the commission shall make the directory required by
809 Section 59-14-603 available for public inspection.

- 810 (k) Notwithstanding Subsection (2), the commission may share information with federal,
811 state, or local agencies as provided in Subsection 59-14-606(3).
- 812 (l)(i) Notwithstanding Subsection (2), the commission shall provide the Office of
813 Recovery Services within the Department of Health and Human Services any
814 relevant information obtained from a return filed under Chapter 10, Individual
815 Income Tax Act, regarding a taxpayer who has become obligated to the Office of
816 Recovery Services.
- 817 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office
818 of Recovery Services to any other state's child support collection agency involved
819 in enforcing that support obligation.
- 820 (m)(i) Notwithstanding Subsection (2), upon request from the state court
821 administrator, the commission shall provide to the state court administrator, the
822 name, address, telephone number, county of residence, and social security number
823 on resident returns filed under Chapter 10, Individual Income Tax Act.
- 824 (ii) The state court administrator may use the information described in Subsection
825 (4)(m)(i) only as a source list for the master jury list described in Section
826 78B-1-106.
- 827 (n)(i) As used in this Subsection (4)(n):
- 828 (A) "Income tax information" means information gained by the commission that is
829 required to be attached to or included in a return filed with the commission
830 under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10,
831 Individual Income Tax Act.
- 832 (B) "Other tax information" means information gained by the commission that is
833 required to be attached to or included in a return filed with the commission
834 except for a return filed under Chapter 7, Corporate Franchise and Income
835 Taxes, or Chapter 10, Individual Income Tax Act.
- 836 (C) "Tax information" means income tax information or other tax information.
- 837 (ii)(A) Notwithstanding Subsection (2) and except as provided in Subsection
838 (4)(n)(ii)(B) or (C), the commission shall at the request of GOEO provide to
839 GOEO all income tax information.
- 840 (B) For purposes of a request for income tax information made under Subsection
841 (4)(n)(ii)(A), GOEO may not request and the commission may not provide to
842 GOEO a person's address, name, social security number, or taxpayer
843 identification number.

- 844 (C) In providing income tax information to GOEO, the commission shall in all
845 instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).
- 846 (iii)(A) Notwithstanding Subsection (2) and except as provided in Subsection
847 (4)(n)(iii)(B), the commission shall at the request of GOEO provide to GOEO
848 other tax information.
- 849 (B) Before providing other tax information to GOEO, the commission shall redact
850 or remove any name, address, social security number, or taxpayer identification
851 number.
- 852 (iv) GOEO may provide tax information received from the commission in accordance
853 with this Subsection (4)(n) only:
- 854 (A) as a fiscal estimate, fiscal note information, or statistical information; and
855 (B) if the tax information is classified to prevent the identification of a particular
856 return.
- 857 (v)(A) A person may not request tax information from GOEO under Title 63G,
858 Chapter 2, Government Records Access and Management Act, or this section,
859 if GOEO received the tax information from the commission in accordance with
860 this Subsection (4)(n).
- 861 (B) GOEO may not provide to a person that requests tax information in
862 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax
863 information GOEO provides in accordance with Subsection (4)(n)(iv).
- 864 (o) Notwithstanding Subsection (2), the commission may provide to the governing board
865 of the agreement or a taxing official of another state, the District of Columbia, the
866 United States, or a territory of the United States:
- 867 (i) the following relating to an agreement sales and use tax:
- 868 (A) information contained in a return filed with the commission;
869 (B) information contained in a report filed with the commission;
870 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or
871 (D) a document filed with the commission; or
- 872 (ii) a report of an audit or investigation made with respect to an agreement sales and
873 use tax.
- 874 (p) Notwithstanding Subsection (2), the commission may provide information
875 concerning a taxpayer's state income tax return or state income tax withholding
876 information to the Driver License Division if the Driver License Division:
877 (i) requests the information; and

- 878 (ii) provides the commission with a signed release form from the taxpayer allowing
879 the Driver License Division access to the information.
- 880 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah
881 Communications Authority, or a division of the Utah Communications Authority, the
882 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and
883 63H-7a-502.
- 884 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah
885 Educational Savings Plan information related to a resident or nonresident individual's
886 contribution to a Utah Educational Savings Plan account as designated on the
887 resident or nonresident's individual income tax return as provided under Section
888 59-10-1313.
- 889 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under
890 Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility
891 worker with the Department of Health and Human Services or its designee with the
892 adjusted gross income of an individual if:
- 893 (i) an eligibility worker with the Department of Health and Human Services or its
894 designee requests the information from the commission; and
- 895 (ii) the eligibility worker has complied with the identity verification and consent
896 provisions of Sections 26B-3-106 and 26B-3-903.
- 897 (t) Notwithstanding Subsection (2), the commission may provide to a county, as
898 determined by the commission, information declared on an individual income tax
899 return in accordance with Section 59-10-103.1 that relates to eligibility to claim a
900 residential exemption authorized under Section 59-2-103.
- 901 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any
902 access line provider that is over 90 days delinquent in payment to the commission of
903 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid
904 Wireless Telecommunications Service Charges, to [~~the~~] the board of the Utah
905 Communications Authority created in Section 63H-7a-201.
- 906 (v) Notwithstanding Subsection (2), the commission shall provide the Department of
907 Environmental Quality a report on the amount of tax paid by a radioactive waste
908 facility for the previous calendar year under Section 59-24-103.5.
- 909 (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the
910 Department of Workforce Services any information received under Chapter 10, Part
911 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce

- 912 Services.
- 913 (x) Notwithstanding Subsection (2), the commission may provide the Public Service
914 Commission or the Division of Public Utilities information related to a seller that
915 collects and remits to the commission a charge described in Subsection 69-2-405(2),
916 including the seller's identity and the number of charges described in Subsection
917 69-2-405(2) that the seller collects.
- 918 (y)(i) Notwithstanding Subsection (2), the commission shall provide to each
919 qualifying jurisdiction the collection data necessary to verify the revenue collected
920 by the commission for a distributed tax, fee, or charge collected within the
921 qualifying jurisdiction.
- 922 (ii) In addition to the information provided under Subsection (4)(y)(i), the
923 commission shall provide a qualifying jurisdiction with copies of returns and other
924 information relating to a distributed tax, fee, or charge collected within the
925 qualifying jurisdiction.
- 926 (iii)(A) To obtain the information described in Subsection (4)(y)(ii), the chief
927 executive officer or the chief executive officer's designee of the qualifying
928 jurisdiction shall submit a written request to the commission that states the
929 specific information sought and how the qualifying jurisdiction intends to use
930 the information.
- 931 (B) The information described in Subsection (4)(y)(ii) is available only in official
932 matters of the qualifying jurisdiction.
- 933 (iv) Information that a qualifying jurisdiction receives in response to a request under
934 this subsection is:
- 935 (A) classified as a private record under Title 63G, Chapter 2, Government Records
936 Access and Management Act; and
- 937 (B) subject to the confidentiality requirements of this section.
- 938 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic
939 Beverage Services Commission, upon request, with taxpayer status information
940 related to state tax obligations necessary to comply with the requirements described
941 in Section 32B-1-203.
- 942 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of
943 Workforce Services, as soon as practicable, whether an individual claimed and is
944 entitled to claim a federal earned income tax credit for the year requested by the
945 Department of Workforce Services if:

- 946 (i) the Department of Workforce Services requests this information; and
947 (ii) the commission has received the information release described in Section
948 35A-9-604.
- 949 (bb)(i) As used in this Subsection (4)(bb), "unclaimed property administrator" means
950 the administrator or the administrator's agent, as those terms are defined in Section
951 67-4a-102.
- 952 (ii)(A) Notwithstanding Subsection (2), upon request from the unclaimed property
953 administrator and to the extent allowed under federal law, the commission shall
954 provide the unclaimed property administrator the name, address, telephone
955 number, county of residence, and social security number or federal employer
956 identification number on any return filed under Chapter 7, Corporate Franchise
957 and Income Taxes, or Chapter 10, Individual Income Tax Act.
- 958 (B) The unclaimed property administrator may use the information described in
959 Subsection (4)(bb)(ii)(A) only for the purpose of returning unclaimed property
960 to the property's owner in accordance with Title 67, Chapter 4a, Revised
961 Uniform Unclaimed Property Act.
- 962 (iii) The unclaimed property administrator is subject to the confidentiality provisions
963 of this section with respect to any information the unclaimed property
964 administrator receives under this Subsection (4)(bb).
- 965 (cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a
966 taxpayer's state individual income tax information to a program manager of the Utah
967 Fits All Scholarship Program under Section 53F-6-402 if:
- 968 (i) the taxpayer consents in writing to the disclosure;
969 (ii) the taxpayer's written consent includes the taxpayer's name, social security
970 number, and any other information the commission requests that is necessary to
971 verify the identity of the taxpayer; and
972 (iii) the program manager provides the taxpayer's written consent to the commission.
- 973 (dd) Notwithstanding Subsection (2), the commission may, upon request, disclose a
974 taxpayer's state individual income tax information to a scholarship granting
975 organization of the Carson Smith Opportunity Scholarship Program under Section
976 53E-7-402 if:
- 977 (i) the taxpayer consents in writing to the disclosure;
978 (ii) the taxpayer's written consent includes the taxpayer's name, social security
979 number, and any other information the commission requests that is necessary to

- 980 verify the identity of the taxpayer; and
- 981 (iii) the program manager provides the taxpayer's written consent to the commission.
- 982 [~~(dd)~~] (ee) Notwithstanding Subsection (2), the commission may provide to the Division
- 983 of Finance within the Department of Government Operations any information
- 984 necessary to facilitate a payment from the commission to a taxpayer, including:
- 985 (i) the name of the taxpayer entitled to the payment or any other person legally
- 986 authorized to receive the payment;
- 987 (ii) the taxpayer identification number of the taxpayer entitled to the payment;
- 988 (iii) the payment identification number and amount of the payment;
- 989 (iv) the tax year to which the payment applies and date on which the payment is due;
- 990 (v) a mailing address to which the payment may be directed; and
- 991 (vi) information regarding an account at a depository institution to which the
- 992 payment may be directed, including the name of the depository institution, the
- 993 type of account, the account number, and the routing number for the account.
- 994 [~~(ee)~~] (ff) Notwithstanding Subsection (2), the commission shall provide the total amount
- 995 of revenue collected by the commission under Subsection 59-5-202(5):
- 996 (i) at the request of a committee of the Legislature, the Office of the Legislative
- 997 Fiscal Analyst, or the Governor's Office of Planning and Budget, to the committee
- 998 or office for the time period specified by the committee or office; and
- 999 (ii) to the Division of Finance for purposes of the Division of Finance administering
- 1000 Subsection 59-5-202(5).
- 1001 [~~(ff)~~] (gg) Notwithstanding Subsection (2), the commission may provide the Department
- 1002 of Agriculture and Food with information from a return filed in accordance with
- 1003 Chapter 31, Cannabinoid Licensing and Tax Act.
- 1004 [~~(gg)~~] (hh) Notwithstanding Subsection (2), the commission shall provide the
- 1005 Department of Workforce Services with the information described in Section
- 1006 35A-3-105.
- 1007 [~~(hh)~~] (ii) Notwithstanding Subsection (2), the commission may provide aggregated
- 1008 information to the Utah Population Committee, created in Section 63C-20-103, if the
- 1009 Utah Population Committee requests the information in accordance with Section
- 1010 63C-20-105.
- 1011 (5)(a) Each report and return shall be preserved for at least three years.
- 1012 (b) After the three-year period provided in Subsection (5)(a) the commission may
- 1013 destroy a report or return.

- 1014 (6)(a) Any individual who violates this section is guilty of a class A misdemeanor.
- 1015 (b) If the individual described in Subsection (6)(a) is an officer or employee of the state,
- 1016 the individual shall be dismissed from office and be disqualified from holding public
- 1017 office in this state for a period of five years thereafter.
- 1018 (c) Notwithstanding Subsection (6)(a) or (b), GOEO, when requesting information in
- 1019 accordance with Subsection (4)(n)(iii), or an individual who requests information in
- 1020 accordance with Subsection (4)(n)(v):
- 1021 (i) is not guilty of a class A misdemeanor; and
- 1022 (ii) is not subject to:
- 1023 (A) dismissal from office in accordance with Subsection (6)(b); or
- 1024 (B) disqualification from holding public office in accordance with Subsection
- 1025 (6)(b).
- 1026 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the
- 1027 Office of the Legislative Auditor General in accordance with Title 36, Chapter 12,
- 1028 Legislative Organization, an individual described in Subsection (2):
- 1029 (i) is not guilty of a class A misdemeanor; and
- 1030 (ii) is not subject to:
- 1031 (A) dismissal from office in accordance with Subsection (6)(b); or
- 1032 (B) disqualification from holding public office in accordance with Subsection
- 1033 (6)(b).
- 1034 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.
- 1035 Section 9. Section **59-7-625** is amended to read:
- 1036 **59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26). Nonrefundable tax**
- 1037 **credit for a donation to the Carson Smith Opportunity Scholarship Program.**
- 1038 (1) A taxpayer that makes a donation to the Carson Smith Opportunity Scholarship Program
- 1039 established in Section 53E-7-402 may claim a nonrefundable tax credit equal to 100% of
- 1040 the amount stated on a tax credit certificate issued in accordance with Section 53E-7-407.
- 1041 (2) A taxpayer may claim the tax credit described in Subsection (1) for the taxable year
- 1042 indicated on the tax credit certificate issued in accordance with Section 53E-7-407.
- 1043 (3) A taxpayer may not claim the tax credit described in Subsection (1) for a donation to the
- 1044 extent the taxpayer claims the donation as a deduction or credit against the taxpayer's
- 1045 federal income taxes for any taxable year.
- 1046 [~~(2) If the amount of a tax credit listed on the tax credit certificate exceeds a taxpayer's~~
- 1047 ~~liability under this chapter for a taxable year, the taxpayer:]~~

1048 ~~[(a) may carry forward the amount of the tax credit exceeding the liability for a period~~
 1049 ~~that does not exceed the next three taxable years; and]~~

1050 ~~[(b) may carry back the amount of the tax credit that exceeds the taxpayer's tax liability~~
 1051 ~~to the previous taxable year.]~~

1052 Section 10. Section **59-10-1041** is amended to read:

1053 **59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26). Nonrefundable tax**
 1054 **credit for a donation to the Carson Smith Opportunity Scholarship Program.**

1055 (1) Except as provided in Subsection (3), a claimant, estate, or trust that makes a donation
 1056 to the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402
 1057 may claim a nonrefundable tax credit equal to 100% of the amount stated on a tax credit
 1058 certificate issued in accordance with Section 53E-7-407.

1059 (2) The tax credit described in Subsection (1) may be claimed for the taxable year indicated
 1060 on the tax credit certificate issued in accordance with Section 53E-7-407.

1061 (3) A claimant, estate, or trust may not claim the tax credit described in Subsection (1) for a
 1062 donation to the extent the claimant, estate, or trust claims the donation as a deduction or
 1063 credit against the claimant's, estate's, or trust's federal income taxes for any taxable year.

1064 ~~[(2) If the amount of a tax credit listed on the tax credit certificate exceeds a claimant's,~~
 1065 ~~estate's, or trust's tax liability under this chapter for a taxable year, the claimant, estate,~~
 1066 ~~or trust:]~~

1067 ~~[(a) may carry forward the amount of the tax credit exceeding the liability for a period~~
 1068 ~~that does not exceed the next three taxable years; and]~~

1069 ~~[(b) may carry back the amount of the tax credit that exceeds the claimant's, estate's, or~~
 1070 ~~trust's tax liability to the previous taxable year.]~~

1071 ~~[(3) A claimant, estate, or trust may not claim a credit described in Subsection (1) to the~~
 1072 ~~extent the claimant, estate, or trust claims a donation described in Subsection (1) as an~~
 1073 ~~itemized deduction on the claimant's, estate's, or trust's federal individual income tax~~
 1074 ~~return for that taxable year.]~~

1075 Section 11. **Effective Date.**

1076 This bill takes effect on May 6, 2026.

1077 Section 12. **Retrospective operation.**

1078 The following sections have retrospective operation for a taxable year starting on or
 1079 after January 1, 2026:

1080 (1) Section 59-1-403 (Effective 05/06/26) (Applies beginning 01/01/26) (Partially Repealed
 07/01/29);

- 1081 (2) Section 59-7-625 (Effective 05/06/26) (Applies beginning 01/01/26); and
- 1082 (3) Section 59-10-1041 (Effective 05/06/26) (Applies beginning 01/01/26).