

1 **INFORMATION TECHNOLOGY TRAINING**

2 **INCENTIVE PROGRAM**

3 2001 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: David H. Steele**

6 **This act requires the Department of Workforce Services to establish an employer assistance**
7 **program to encourage employers to provide certain of their employees with continuing**
8 **information technology training. The act allows the employer to claim a tax credit of up to**
9 **\$1,500 per employee for the cost of providing the continuing information technology training**
10 **in a program identified and certified to the Utah State Tax Commission by the Department**
11 **of Workforce Services. The act also allows an employer to claim a tax credit of \$5,000 for**
12 **having an employee participate in the Partners in Education Program. The act has**
13 **retrospective operation to January 1, 2001.**

14 This act affects sections of Utah Code Annotated 1953 as follows:

15 ENACTS:

16 **35A-5-203**, Utah Code Annotated 1953

17 **59-7-614**, Utah Code Annotated 1953

18 **59-10-133**, Utah Code Annotated 1953

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

20 Section 1. Section **35A-5-203** is enacted to read:

21 **35A-5-203. Technology training assistance program.**

22 (1) The Department of Workforce Services shall establish an employer assistance program
23 to encourage employers in the state to:

24 (a) provide certain of their employees with continuing information technology skills
25 training in the following areas of technology skills and occupations that are in high demand, in
26 short supply, and critical to economic development in the state:

27 (i) network engineering;



28 (ii) network administration;

29 (iii) systems engineering;

30 (iv) systems administration;

31 (v) database administration;

32 (vi) electrical engineering;

33 (vii) software development; and

34 (viii) software programming; and

35 (b) participate in a Partners in Education Program to help alleviate the shortage of
36 information technology instructors in public and higher education by allowing competent,
37 knowledgeable employees to teach information technology courses in either or both education
38 systems.

39 (2) (a) The department shall identify and certify to the Utah State Tax Commission
40 technology skills training programs in the areas identified in Subsections (1)(a)(i) through (viii)
41 for the purpose of qualifying for the tax credit offered under Section 59-7-614.

42 (b) The technology skills training programs referred to in Subsection (2)(a) must be
43 provided by an accredited college, university, private career school, or other postsecondary
44 educational institution to qualify for the tax credit.

45 (3) (a) The department, in consultation with the State Board of Education and State Board
46 of Regents, shall identify and certify to the Utah State Tax Commission the courses to be taught
47 under the Partners in Education Program for the purpose of qualifying for the tax credit offered
48 under Section 59-7-614.

49 (b) The courses must be taught in a public secondary school or an institution within the
50 state system of higher education.

51 Section 2. Section **59-7-614** is enacted to read:

52 **59-7-614. Technology training assistance credit.**

53 (1) (a) For taxable years beginning on or after January 1, 2001, but beginning before
54 December 31, 2007, a taxpayer meeting the requirements of Subsections (1)(a) and (2)(a) shall
55 qualify for the following nonrefundable credit for expenses incurred by the taxpayer for providing
56 information technology skills training to an employee under Section 35A-5-203:

57 (i) the amount of the credit is the amount actually spent by the taxpayer during the taxable
58 year for the cost of the training under Section 35A-5-203, but not more than \$1,500 per employee;

59 and

60 (ii) the taxpayer may not claim the credit for more than 20 employees, for a maximum
61 credit in any one tax year of \$30,000.

62 (b) (i) For taxable years beginning on or after January 1, 2001, but beginning before
63 December 31, 2007, a taxpayer that has an employee participate in the Partners in Education
64 Program established under Section 35A-5-203 and meets the requirement of Subsection (2)(a) may
65 claim a tax credit of \$5,000 for each complete term of teaching performed by the employee during
66 the tax year.

67 (ii) For purposes of Subsection (1)(b)(i), "term" means a semester as applied to teaching
68 within the state system of higher education and an equivalent time period as applied to teaching
69 at a secondary school within the state system of public education.

70 (2) (a) To receive a tax credit under this section, a taxpayer must apply to the Department
71 of Workforce Services, on a form prescribed by the department, on or before January 15 following
72 the calendar year in which the credit is claimed.

73 (b) On or before February 15, the Department of Workforce Services shall review and
74 determine the amount of the credit for each taxpayer and issue a certificate to each qualifying
75 taxpayer stating the amount of the credit.

76 (c) (i) The Department of Workforce Services may not certify tax credits under this section
77 in any calendar year exceeding \$5,000,000.

78 (ii) If qualifying applications exceed \$5,000,000 in any calendar year, the department shall
79 proportionately reduce the amount of the credit allowed each taxpayer.

80 (3) If the allowable tax credit under this section exceeds the taxpayer's tax liability under
81 this chapter for a taxable year, the amount of the credit exceeding the liability may be carried
82 forward for a period not to exceed the next five taxable years.

83 Section 3. Section **59-10-133** is enacted to read:

84 **59-10-133. Technology training assistance credit.**

85 (1) (a) For taxable years beginning on or after January 1, 2001, but beginning before
86 December 31, 2007, a taxpayer meeting the requirements of Subsections (1)(a) and (2)(a) shall
87 qualify for the following nonrefundable credit for expenses incurred by the taxpayer for providing
88 information technology skills training to an employee under Section 35A-5-203:

89 (i) the amount of the credit is the amount actually spent by the taxpayer during the taxable

90 year for the cost of the training under Section 35A-5-203, but not more than \$1,500 per employee;
91 and

92 (ii) the taxpayer may not claim the credit for more than 20 employees, for a maximum
93 credit in any one tax year of \$30,000.

94 (b) (i) For taxable years beginning on or after January 1, 2001, but beginning before
95 December 31, 2007, a taxpayer that has an employee participate in the Partners in Education
96 Program established under Section 35A-5-203 and meets the requirement of Subsection (2)(a) may
97 claim a tax credit of \$5,000 for each complete term of teaching performed by the employee during
98 the tax year.

99 (ii) For purposes of Subsection (1)(b)(i), "term" means a semester as applied to teaching
100 within the state system of higher education and an equivalent time period as applied to teaching
101 at a secondary school within the state system of public education.

102 (2) (a) To receive a tax credit under this section, a taxpayer must apply to the Department
103 of Workforce Services, on a form prescribed by the department, on or before January 15 following
104 the calendar year in which the credit is claimed.

105 (b) On or before February 15, the Department of Workforce Services shall review and
106 determine the amount of the credit for each taxpayer and issue a certificate to each qualifying
107 taxpayer stating the amount of the credit.

108 (c) (i) The Department of Workforce Services may not certify tax credits under this section
109 in any calendar year exceeding \$5,000,000.

110 (ii) If qualifying applications exceed \$5,000,000 in any calendar year, the department shall
111 proportionately reduce the amount of the credit allowed each taxpayer.

112 (3) If the allowable tax credit under this section exceeds the taxpayer's tax liability under
113 this chapter for a taxable year, the amount of the credit exceeding the liability may be carried
114 forward for a period not to exceed the next five taxable years.

115 **Section 4. Retrospective operation.**

116 This act has retrospective operation to January 1, 2001.

Legislative Review Note
as of 2-14-01 3:58 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel