

1                                   **INDIVIDUAL INCOME TAX CONTRIBUTION**  
2                                   **FOR COMMUNITY SPAY AND NEUTER**  
3                                   **PROGRAMS**

4                                   2005 GENERAL SESSION

5                                   STATE OF UTAH

6                                   **Sponsor: Michael E. Noel**

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7  
8 **LONG TITLE**

9 **General Description:**

10           This bill amends the Utah Health Code and the Individual Income Tax Act.

11 **Highlighted Provisions:**

12           This bill:

13           ▶ creates the Cat and Dog Community Spay and Neuter Program Restricted Account,  
14 provides that the restricted account shall earn interest, and provides that the interest  
15 shall be deposited into the restricted account;

16           ▶ describes organizations to which the Department of Health shall distribute  
17 contributions made to the Cat and Dog Community Spay and Neuter Program  
18 Restricted Account;

19           ▶ provides the purposes for which an organization that receives a distribution from the  
20 Department of Health may expend the distribution;

21           ▶ grants rulemaking authority to the Department of Health;

22           ▶ provides for an individual income tax contribution to the Cat and Dog Community  
23 Spay and Neuter Program Restricted Account;

24           ▶ provides that if this contribution generates less than \$30,000 per taxable year for  
25 three consecutive taxable years, the State Tax Commission shall remove the  
26 designation for the contribution from tax returns and may not collect the  
27 contribution from a resident or nonresident individual; and



28           ▶ makes technical changes.

29 **Monies Appropriated in this Bill:**

30           None

31 **Other Special Clauses:**

32           This bill has retrospective operation for taxable years beginning on or after January 1,  
33 2005.

34 **Utah Code Sections Affected:**

35 AMENDS:

36           **59-10-551**, as last amended by Chapter 162, Laws of Utah 2003

37 ENACTS:

38           **26-48-101**, Utah Code Annotated 1953

39           **26-48-102**, Utah Code Annotated 1953

40           **59-10-550.2**, Utah Code Annotated 1953



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

43           Section 1. Section **26-48-101** is enacted to read:

44           **CHAPTER 48. CAT AND DOG COMMUNITY SPAY AND NEUTER PROGRAM**  
45   **RESTRICTED ACCOUNT ACT**

46           **26-48-101. Title.**

47           This chapter is known as the "Cat and Dog Community Spay and Neuter Program  
48 Restricted Account Act."

49           Section 2. Section **26-48-102** is enacted to read:

50           **26-48-102. Cat and Dog Community Spay and Neuter Program Restricted**  
51 **Account -- Interest -- Use of contributions and interest.**

52           (1) There is created within the General Fund the Cat and Dog Community Spay and  
53 Neuter Program Restricted Account.

54           (2) The account shall be funded by contributions deposited into the Cat and Dog  
55 Community Spay and Neuter Program Restricted Account in accordance with Section  
56 59-10-550.2.

57           (3) (a) The Cat and Dog Community Spay and Neuter Program Restricted Account  
58 shall earn interest.

59 (b) Interest earned on the Cat and Dog Community Spay and Neuter Program  
 60 Restricted Account shall be deposited into the Cat and Dog Community Spay and Neuter  
 61 Restricted Account.

62 (4) The department shall distribute contributions and interest deposited into the Cat and  
 63 Dog Community Spay and Neuter Program Restricted Account to one or more organizations:

64 (a) that are exempt from federal income taxation under Section 501(c)(3), Internal  
 65 Revenue Code;

66 (b) that operate a mobile spay and neuter clinic for cats and dogs; and

67 (c) that provide annual spay and neuter services at the mobile spay and neuter clinic  
 68 described in Subsection (4)(b) ~~H~~ :

68a (i) ~~H~~ to one or more communities in at least 20 counties in the state ~~H~~ [ : ] ; and

68b (ii) by veterinarians who are licensed by Title 58, Chapter 28, Veterinary

68c Practice Act. ~~H~~

69 (5) (a) An organization described in Subsection (4) may apply to the department to  
 70 receive a distribution in accordance with Subsection (4).

71 (b) An organization that receives a distribution from the department in accordance with  
Subsection (4) ~~H~~ :

72a (i) ~~H~~ shall expend the distribution only to spay or neuter dogs and cats ~~H~~ :

72b (A) ~~H~~ owned by

73 persons having low incomes ~~H~~ :

73a (B) by veterinarians who are licensed by Title 58, Chapter 28, Veterinary Practice Act;

73b (C) through a statewide voucher program; and

73c (D) at a location that:

73d (I) is not a mobile spay and neuter clinic; and

73e (II) does not receive any funding from a governmental entity; and

73f (ii) may not expend the distribution for any administrative cost relating to an  
 73g expenditure authorized by Subsection (5)(b)(i). ~~H~~ .

74 (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the  
 75 department may make rules:

76 (i) providing procedures and requirements for an organization to apply to the  
 77 department to receive a distribution in accordance with Subsection (4); and

78 (ii) to define what constitutes a person having a low income.

79 Section 3. Section **59-10-550.2** is enacted to read:

80 **59-10-550.2. Contribution to Cat and Dog Community Spay and Neuter Program**

81 **Restricted Account.**

82 (1) Except as provided in Section 59-10-551, for taxable years beginning on or after  
83 January 1, 2005, a resident or nonresident individual that files an individual income tax return  
84 under this chapter may designate on the resident or nonresident individual's individual income  
85 tax return a contribution as provided in this section to be:

86 (a) deposited into the Cat and Dog Community Spay and Neuter Program Restricted  
87 Account created by Section 26-48-102; and

88 (b) distributed by the Department of Health as provided in Section 26-48-102.

89 (2) (a) A resident or nonresident individual may designate as a contribution under this

90 section any whole dollar amount of \$1 or more.

91 (b) If a resident or nonresident individual designating a contribution under this section:

92 (i) is owed an individual income tax refund for the taxable year, the amount of the  
93 contribution under this section shall be deducted from the resident or nonresident individual's  
94 individual income tax refund; or

95 (ii) is not owed an individual income tax refund for the taxable year, the resident or  
96 nonresident individual may remit a contribution under this section with the resident or  
97 nonresident individual's individual income tax return.

98 (c) If a husband and wife file a single individual income tax return jointly, a  
99 contribution under this section shall be a joint contribution.

100 (d) A contribution under this section is irrevocable for the taxable year for which the  
101 resident or nonresident individual makes the contribution.

102 (3) The commission shall:

103 (a) determine annually the total amount of contributions designated in accordance with  
104 this section; and

105 (b) credit the amount described in Subsection (3)(a) to the Cat and Dog Community  
106 Spay and Neuter Program Restricted Account created by Section 26-48-102.

107 Section 4. Section **59-10-551** is amended to read:

108 **59-10-551. Removal of designation and prohibitions on collection for certain**  
109 **contributions on income tax form -- Conditions for removal and prohibitions on**  
110 **collection -- Commission reporting requirements.**

111 (1) (a) Beginning on January 1, 1998, if a contribution or combination of contributions  
112 described in Subsection (1)(b) generate less than \$30,000 per year for three consecutive years,  
113 the commission shall remove the designation for the contribution from the income tax return  
114 and may not collect the contribution from a resident or nonresident individual beginning two  
115 taxable years after the three-year period for which the contribution generates less than \$30,000  
116 per year.

117 (b) The following contributions apply to Subsection (1)(a):

118 (i) the contribution provided for in Section 59-10-530;

119 (ii) the contribution provided for in Section 59-10-530.5;

120 (iii) the sum of the contributions provided for in:

121 (A) Subsection 59-10-549(1)(a); and  
122 (B) Subsection 59-10-549(1)(b);  
123 (iv) the sum of the contributions provided for in:  
124 (A) Subsection 59-10-549(1)(c); and  
125 (B) Subsection 59-10-549(1)(d);  
126 (v) the contribution provided for in Subsection 59-10-549(1)(e);  
127 (vi) the contribution provided for in Section 59-10-550; [~~or~~]  
128 (vii) the contribution provided for in Section 59-10-550.1[-]; or  
129 (viii) the contribution provided for in Section 59-10-550.2.  
130 (2) If the commission removes the designation for a contribution under Subsection (1),  
131 the commission shall report to the Revenue and Taxation Interim Committee that the  
132 commission removed the designation on or before the November interim meeting of the year in  
133 which the commission determines to remove the designation.  
134 **Section 5. Retrospective operation.**  
135 This bill has retrospective operation for taxable years beginning on or after January 1,  
136 2005.

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**Legislative Review Note**  
**as of 1-26-05 4:55 PM**

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

**Office of Legislative Research and General Counsel**

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**Fiscal Note**  
**Bill Number HB0140**

**Individual Income Tax Contribution for Community Spay and Neuter  
Programs**

*02-Feb-05*  
*5:05 PM*

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**State Impact**

Costs of implementing this bill can be handled within existing appropriations of the Tax Commission and the Department of Health.

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**Individual and Business Impact**

Individuals who qualify under the provisions of this bill could have their pets spayed or neutered at no cost to them.

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**Office of the Legislative Fiscal Analyst**