



House of Representatives *State of Utah*

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February 18, 2005

Mr. Speaker:

The Education Committee reports a favorable recommendation on **2nd Sub. H.B. 39, TUITION TAX CREDITS**, by Representative J. Ferrin, with the following amendments:

1. *Page 1, Lines 18 through 21:*

- 18 ▶ provides that a qualifying student is an individual who {~~was not enrolled in~~
 ~~a private~~
19 ~~school on January 1, 2005, unless the adjusted gross income of the taxpayer who~~
20 ~~paid or incurred the private school tuition expenses is less than or equal to 100% of~~
21 ~~the income eligibility guideline for reduced price school meals;}~~ :
- was born after September 1, 1999;
 - was enrolled as a full-time student in a Utah public school on January
1, 2005;
 - was not a Utah resident on January 1, 2005; or
 - was a private school student for whom a taxpayer paid or incurred the
tuition expenses, and the adjusted gross income of the taxpayer was less than or
equal to 100% of the income guideline for reduced price school meals.

2. *Page 1, Lines 22 through 23:*

- 22 ▶ defines a private school as an elementary or secondary school that:
23 • has a physical location in Utah where, for at least 90% of the days
within the school year, the students attend classes and have direct
contact with the school's teachers ; =
- does not operate in a residence;

3. *Page 3, Line 78:*

- 78 (E) has a physical location in Utah where, for at least 90% of the days within
the school year, the students attend classes and have direct contact with the school's
teachers ;

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4. Page 4, Lines 92 through 93:

92 (ii) "Private school" does not include a school that :
(A) has an enrollment of fewer than 25
93 students {~~.~~} ; or
(B) operates in a residence.

5. Page 4, Lines 102 through 106:

102 (C) who {~~was not enrolled at a private school on January 1, 2005, except as~~
provided in
103 Subsection (1)(e)(ii);
104 —(ii) Subsection (1)(e)(i)(C) does not apply if the adjusted gross income of the
taxpayer
105 who paid or incurred the private school tuition expenses is less than or equal to
100% of the
106 income eligibility guideline as defined in Subsection (1)(c);} meets one or more
of the following criteria:
(I) the individual was born after September 1, 1999;
(II) the individual was enrolled as a full-time student in a Utah public school on
January 1, 2005;
(III) the individual was not a Utah resident on January 1, 2005; or
(IV) the individual is a private school student for whom a taxpayer has paid or
incurred the tuition expenses, and the adjusted gross income of the taxpayer is less
than or equal to 100% of the income eligibility guideline as defined in Subsection
(1)(c).
(f)(i) "Tuition expenses" means amounts charged for attending a private school
minus any amounts paid for with scholarship monies received from the state.
(ii) "Tuition expenses" do not include fees for extracurricular activities or
transportation to the private school.

6. Page 6, Lines 172 through 180:

172 (5) The tax credit provided for in this section {~~may not be carried forward or~~

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carried
173 back.
174 — (6) (a) Only one taxpayer may claim a refundable tax credit for each qualifying
student
175 each taxable year.
176 — (b) The taxpayer who claims a personal exemption for the qualifying student
shall have
177 the right to claim the refundable tax credit, unless that taxpayer authorizes another
person to
178 claim the refundable tax credit.
179 — (c) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
Act, the
180 commission shall make rules to administer Subsections (6)(a) and (6)(b):
(a) may be claimed only by the taxpayer who:
(i) is the parent or legal guardian of the qualifying student; and
(ii) claims a personal exemption for the qualifying student; and
(b) may not be carried forward or carried back.

Respectfully,

Margaret Dayton
Committee Chair

Voting: 7-6-2

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