

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

4 2006 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Michael E. Noel**

7 Senate Sponsor: Thomas V. Hatch

8
9 **LONG TITLE**

10 **General Description:**

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

12 **Highlighted Provisions:**

13 This bill:

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

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

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

22 ▶ grants rulemaking authority to the Department of Health;

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

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



28 contribution from a resident or nonresident individual; and
29 ▶ makes technical changes.

30 **Monies Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 This bill has retrospective operation for taxable years beginning on or after January 1,
34 2006.

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **59-10-551**, as last amended by Chapter 208, Laws of Utah 2005

38 ENACTS:

39 **26-48-101**, Utah Code Annotated 1953

40 **26-48-102**, Utah Code Annotated 1953

41 **59-10-550.2**, Utah Code Annotated 1953



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

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

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

47 **26-48-101. Title.**

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

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

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

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

55 (2) The account shall be funded by contributions deposited into the Cat and Dog
56 Community Spay and Neuter Program Restricted Account in accordance with Section
57 59-10-550.2.

58 (3) (a) The Cat and Dog Community Spay and Neuter Program Restricted Account

59 shall earn interest.

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

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

66 (a) are exempt from federal income taxation under Section 501(c)(3), Internal Revenue
67 Code;

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

69 (c) provide annual spay and neuter services at the mobile spay and neuter clinic
70 described in Subsection (4)(b):

71 (i) to one or more communities in at least 20 counties in the state; and

72 (ii) by veterinarians who are licensed by Title 58, Chapter 28, Veterinary Practice Act;

73 and

74 (d) (i) spay and neuter cats and dogs owned by persons having low incomes; and

75 (ii) have established written guidelines for determining what constitutes a person
76 having a low income in accordance with any rules made by the department as authorized by
77 Subsection (5)(c).

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

80 (b) An organization that receives a distribution from the department in accordance with
81 Subsection (4):

82 (i) shall expend the distribution only to spay or neuter dogs and cats:

83 (A) owned by persons having low incomes;

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

85 (C) through a statewide voucher program; and

86 (D) at a location that:

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

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

89 (ii) may not expend the distribution for any administrative cost relating to an

90 expenditure authorized by Subsection (5)(b)(i).

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

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

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

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

97 **59-10-550.2. Contribution to Cat and Dog Community Spay and Neuter Program**

98 **Restricted Account.**

99 (1) Except as provided in Section 59-10-551, for taxable years beginning on or after
100 January 1, 2006, a resident or nonresident individual that files an individual income tax return
101 under this chapter may designate on the resident or nonresident individual's individual income
102 tax return a contribution as provided in this section to be:

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

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

106 (2) (a) A resident or nonresident individual may designate as a contribution under this
107 section any whole dollar amount of \$1 or more.

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

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

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

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

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

119 (3) The commission shall:

120 (a) determine annually the total amount of contributions designated in accordance with

121 this section; and

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

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

125 **59-10-551. Removal of designation and prohibitions on collection for certain**
126 **contributions on income tax form -- Conditions for removal and prohibitions on**
127 **collection -- Commission reporting requirements.**

128 (1) (a) [~~Beginning on January 1, 1998, if~~] If a contribution or combination of
129 contributions described in Subsection (1)(b) generate less than \$30,000 per year for three
130 consecutive years, the commission shall remove the designation for the contribution from the
131 income tax return and may not collect the contribution from a resident or nonresident
132 individual beginning two taxable years after the three-year period for which the contribution
133 generates less than \$30,000 per year.

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

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

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

137 (iii) the sum of the contributions provided for in Subsection 59-10-549(1)(a);

138 (iv) the contribution provided for in Subsection 59-10-549(1)(b);

139 (v) the contribution provided for in Section 59-10-550; [~~or~~]

140 (vi) the contribution provided for in Section 59-10-550.1[~~;~~]; or

141 (vii) the contribution provided for in Section 59-10-550.2.

142 (2) If the commission removes the designation for a contribution under Subsection (1),
143 the commission shall report to the Revenue and Taxation Interim Committee that the
144 commission removed the designation on or before the November interim meeting of the year in
145 which the commission determines to remove the designation.

146 Section 5. **Retrospective operation.**

147 This bill has retrospective operation for taxable years beginning on or after January 1,
148 2006.

Legislative Review Note

as of 1-4-06 1:01 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