

1 **TAX ME MORE \hat{H} → FOR EDUCATION ← \hat{H} FUND**
1a **\hat{H} → - VOLUNTARY CONTRIBUTION TO PUBLIC EDUCATION ← \hat{H}**

2 2007 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Gregory H. Hughes**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Individual Income Tax Act to enact the Tax Me More Fund, to
10 provide for contributions to that fund on the individual income tax return, and provide
11 that the designation for the contribution be removed from the individual income tax
12 return and that the State Tax Commission may not collect the contribution under certain
13 circumstances.

14 **Highlighted Provisions:**

15 This bill:

- 16 ▶ creates a restricted account within the General Fund known as the Tax Me More
17 Fund, including addressing interest earned on fund monies;
- 18 ▶ provides that a resident or nonresident individual may make contributions to the
19 Tax Me More Fund on the individual income tax return under certain
20 circumstances;
- 21 ▶ establishes the placement of contributions to the Tax Me More Fund on the
22 individual income tax return;
- 23 ▶ requires the State Tax Commission to determine annually the contributions to the
24 Tax Me More Fund and deposit those contributions into the Tax Me More Fund;

24a **\hat{H} → ▶ requires contributions credited to the Tax Me More Fund to be deposited**
24b **into the Uniform School Fund; ← \hat{H}**

- 25 ▶ provides that the designation for the contribution be removed from the individual
26 income tax return and that the State Tax Commission may not collect the
27 contribution under certain circumstances; 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 2007.

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **59-10-551**, as last amended by Chapter 280, Laws of Utah 2006

37 ENACTS:

38 **59-10-550.3**, Utah Code Annotated 1953



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

41 Section 1. Section **59-10-550.3** is enacted to read:

42 **59-10-550.3. Tax Me More Fund -- Interest -- Contribution to fund ~~H~~ -- Deposit of**
43a **contributions into the Uniform School Fund ~~H~~ .**

44 (1) There is created within the General Fund a restricted account known as the Tax Me
45 More ~~H~~ for Education ~~H~~ Fund.

46 (2) The account shall be funded by contributions deposited into the Tax Me More
47a ~~H~~ for Education ~~H~~ Fund
48 in accordance with this section.

49 (3) (a) The account shall earn interest.

50 (b) Interest earned on the Tax Me More ~~H~~ for Education ~~H~~ Fund shall be
51a deposited into the Tax Me More
52 ~~H~~ for Education ~~H~~ Fund.

53 (4) Except as provided in Section 59-10-551, for taxable years beginning on or after
54 January 1, 2007, a resident or nonresident individual that files an individual income tax return
55 under this chapter may designate a contribution on the resident or nonresident individual's
56 individual income tax return as provided in this section to be deposited into the Tax Me More
57 ~~H~~ for Education ~~H~~ Fund.

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

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

61 (i) is owed an individual income tax refund for the taxable year, the amount of the

59 contribution under this section shall be deducted from the resident or nonresident individual's
 60 individual income tax refund; or

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

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

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

68 (6) The commission shall place the contribution allowed by this section on each
 69 individual income tax return immediately below the location where the tax due and refund
 70 amounts are reported.

71 (7) The commission shall:

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

74 (b) credit the amount described in Subsection (7)(a) to the Tax Me More ~~H~~→ for
 74a Education ←~~H~~ Fund created
 75 by this section.

75a ~~H~~→ (8) Amounts credited to the Tax Me More Fund shall be deposited into the
 75b Uniform School Fund. ←~~H~~

76 Section 2. Section **59-10-551** is amended to read:

77 **59-10-551. Removal of designation and prohibitions on collection for certain**
 78 **contributions on income tax form -- Conditions for removal and prohibitions on**
 79 **collection -- Commission reporting requirements.**

80 (1) (a) If a contribution or combination of contributions described in Subsection (1)(b)
 81 generate less than \$30,000 per year for three consecutive years, the commission shall remove
 82 the designation for the contribution from the income tax return and may not collect the
 83 contribution from a resident or nonresident individual beginning two taxable years after the
 84 three-year period for which the contribution generates less than \$30,000 per year.

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

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

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

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

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

90 (v) the contribution provided for in Section 59-10-550;
91 (vi) the contribution provided for in Section 59-10-550.1; [or]
92 (vii) the contribution provided for in Section 59-10-550.2[-]; or
93 (viii) the contribution provided for in Section 59-10-550.3.
94 (2) If the commission removes the designation for a contribution under Subsection (1),
95 the commission shall report to the Revenue and Taxation Interim Committee that the
96 commission removed the designation on or before the November interim meeting of the year in
97 which the commission determines to remove the designation.

98 **Section 3. Retrospective operation.**

99 This bill has retrospective operation for taxable years beginning on or after January 1,
100 2007.

Legislative Review Note
as of 1-19-07 11:08 AM

Office of Legislative Research and General Counsel

H.B. 308 - Tax Me More Fund

Fiscal Note

2007 General Session
State of Utah

State Impact

Enactment of this bill creates the Tax Me More Fund as a General Fund restricted account to provide for contributions from income tax returns. The amount of contributions cannot be estimated. Enactment of this bill would require an appropriation of \$36,400 to the Tax Commission for changes to and publication of the income tax form.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2009</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>	<u>FY 2009</u> <u>Revenue</u>
Uniform School Fund	\$0	\$36,400	\$36,400	\$0	\$0	\$0
Total	\$0	\$36,400	\$36,400	\$0	\$0	\$0

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.