

**Representative Gregory H. Hughes** proposes the following substitute bill:

**TAX ME MORE FOR EDUCATION FUND - VOLUNTARY  
CONTRIBUTION TO PUBLIC EDUCATION**

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Gregory H. Hughes**

Senate Sponsor: Curtis S. Bramble

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**LONG TITLE**

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ creates a restricted account within the Uniform School Fund known as the Tax Me More for Education Fund, including addressing interest earned on fund monies;
- ▶ provides that a resident or nonresident individual may make contributions to the Tax Me More for Education Fund on the individual income tax return under certain circumstances;
- ▶ establishes the placement of contributions to the Tax Me More for Education Fund on the individual income tax return;
- ▶ requires the State Tax Commission to determine annually the contributions to the Tax Me More for Education Fund and deposit those contributions into the Tax Me



26 More for Education Fund;

27       ▶ requires the Division of Finance to deposit contributions credited to the Tax Me

28 More for Education Fund and interest earned on those contributions into the

29 Uniform School Fund;

30       ▶ provides that the designation for the contribution be removed from the individual

31 income tax return and that the State Tax Commission may not collect the

32 contribution under certain circumstances; and

33       ▶ makes technical changes.

34 **Monies Appropriated in this Bill:**

35       None

36 **Other Special Clauses:**

37       This bill has retrospective operation for taxable years beginning on or after January 1,

38 2007.

39 **Utah Code Sections Affected:**

40 AMENDS:

41       **59-10-551**, as last amended by Chapter 280, Laws of Utah 2006

42 ENACTS:

43       **59-10-550.3**, Utah Code Annotated 1953



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

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

47       **59-10-550.3. Tax Me More for Education Fund -- Interest -- Contribution to fund**

48 **-- Deposit of revenues into the Uniform School Fund.**

49       (1) There is created within the Uniform School Fund a restricted account known as the  
50 Tax Me More for Education Fund.

51       (2) The account shall be funded by contributions deposited into the Tax Me More for  
52 Education Fund in accordance with this section.

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

54       (b) Interest earned on the Tax Me More for Education Fund shall be deposited into the  
55 Tax Me More for Education Fund.

56       (4) Except as provided in Section 59-10-551, for taxable years beginning on or after

57 January 1, 2007, a resident or nonresident individual that files an individual income tax return  
58 under this chapter may designate a contribution on the resident or nonresident individual's  
59 individual income tax return as provided in this section to be deposited into the Tax Me More  
60 for Education Fund.

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

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

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

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

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

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

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

77 (7) The commission shall:

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

80 (b) credit the amount described in Subsection (7)(a) to the Tax Me More for Education  
81 Fund created by this section.

82 (8) The Division of Finance shall deposit the amounts credited to the Tax Me More for  
83 Education Fund and interest described in Subsection (3) into the Uniform School Fund.

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

85 **59-10-551. Removal of designation and prohibitions on collection for certain**  
86 **contributions on income tax form -- Conditions for removal and prohibitions on**  
87 **collection -- Commission reporting requirements.**

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

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

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

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

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

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

98 (v) the contribution provided for in Section 59-10-550;

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

100 (vii) the contribution provided for in Section 59-10-550.2[-]; or

101 (viii) the contribution provided for in Section 59-10-550.3.

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

106 Section 3. **Retrospective operation.**

107 This bill has retrospective operation for taxable years beginning on or after January 1,  
108 2007.