

**S.B. 242**

**INCOME TAX ADDITIONS, SUBTRACTIONS, AND TAX CREDITS FOR HIGHER EDUCATION SAVINGS**

Representative **Stephen H. Urquhart** proposes the following amendments:

1. *Page 1, Lines 10 through 13:*

10 General Description:

11 This bill amends the Higher Education Savings Incentive Program chapter, the Corporate  
Franchise and Income Taxes chapter 2 and the Individual  
12 Income Tax Act relating to the program for higher education savings, additions to and subtractions from  
income for higher  
13 education savings 2 and to provide a tax credit for higher education savings.

2. *Page 1, Line 16:*

16 ▶ provides and modifies definitions;

= ▶ addresses the taxation of the Utah Educational Savings Plan Trust and its income;

3. *Page 2, Line 58:*

58 59-10-114, as last amended by Chapter 2, Laws of Utah 2006, Fourth Special Session

= 59-10-201, as last amended by Chapter 223, Laws of Utah 2006

4. *Page 8, Lines 220 through 221:*

220 taxable year beginning on or after January 1, 2006, but beginning on or before December 31,

221 2006; or

5. *Page 14, Lines 409 through 411:*

409 (1) For tax purposes the property of the Utah Educational Savings Plan Trust and its

410 income are governed by {~~Sections 59-7-105, 59-7-106, 59-10-114, [and]~~} Section 59-10-201 {~~2~~

and

411 59-10-202} .

6. *Page 34, Line 1038:*

1038 (B) the District of Columbia, if the entity is located within the District of Columbia.

= Section 16. Section 59-10-201 is amended to read:

59-10-201. Taxation of resident trusts and estates.

(1) A tax determined in accordance with the rates prescribed by Section 59-10-104 for individuals filing separately is imposed for each taxable year on the state taxable income of each resident estate or trust, except for trusts taxed as corporations.

(2) A resident estate or trust shall be allowed the credit provided in Section 59-10-1003, relating to an income tax imposed by another state, except that the limitation shall be computed by reference to the taxable income of the estate or trust.

(3) The property of the Utah Educational Savings Plan Trust established in Title 53B, Chapter 8a, Higher Education Savings Incentive Program, and its income from operations and investments are exempt from all taxation by the state under this chapter.

**Renumber remaining sections accordingly.**