

1 **REPEAL OF CERTAIN INCOME TAX**
2 **CREDITS AND CONTRIBUTIONS**

3 2009 GENERAL SESSION

4 STATE OF UTAH

5 **Chief Sponsor: Julie Fisher**

6 Senate Sponsor: Wayne L. Niederhauser

8 **LONG TITLE**

9 **General Description:**

10 This bill amends the Individual Income Tax Act and related provisions to repeal certain
11 income tax credits and contributions.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ repeals the income tax targeted jobs tax credit for individuals, estates, and trusts;
- 15 ▶ repeals the individual income tax contributions for:
 - 16 • the Utah College of Applied Technology; and
 - 17 • the Wolf Depredation and Management Restricted Account;
- 18 ▶ provides that contributions and interest remaining on June 30, 2009 in the Wolf
19 Depredation and Management Restricted Account shall be deposited into the
20 Agricultural and Wildlife Damage Prevention Account;
 - 21 ▶ modifies the sources of funding for the Agricultural Wildlife Damage Prevention
22 Account to include contributions and interest remaining on June 30, 2009 in the
23 Wolf Depredation and Management Restricted Account;
 - 24 ▶ provides repeal dates for provisions relating to:
 - 25 • the Wolf Depredation and Management Restricted Account; and
 - 26 • contributions and interest remaining on June 30, 2009 in the Wolf Depredation
27 and Management Restricted Account that are deposited into the Agricultural
28 and Wildlife Damage Prevention Account; 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 2009.

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **4-23-7.5**, as last amended by Laws of Utah 1997, Chapter 82

38 **23-14-14.1**, as last amended by Laws of Utah 2008, Chapter 389

39 **59-10-1304**, as renumbered and amended by Laws of Utah 2008, Chapter 389

40 **59-10-1307**, as last amended by Laws of Utah 2008, Chapter 382 and renumbered and
41 amended by Laws of Utah 2008, Chapter 389

42 **63I-2-223**, as renumbered and amended by Laws of Utah 2008, Chapter 382

43 ENACTS:

44 **63I-2-204**, Utah Code Annotated 1953

45 REPEALS:

46 **59-10-1008**, as renumbered and amended by Laws of Utah 2006, Chapter 223

47 **59-10-1309**, as renumbered and amended by Laws of Utah 2008, Chapter 389

48

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

50 Section 1. Section **4-23-7.5** is amended to read:

51 **4-23-7.5. Agricultural and Wildlife Damage Prevention Account.**

52 (1) There is created in the General Fund a restricted account known as the Agricultural
53 and Wildlife Damage Prevention Account.

54 (2) Money received under Section 4-23-7 shall be deposited by the commissioner of
55 agriculture and food in the Agricultural and Wildlife Damage Prevention Account to be
56 appropriated for the purposes provided in this chapter.

57 (3) Any supplemental contributions received by the department from livestock owners

58 for predator control programs shall be deposited into the Agricultural and Wildlife Damage
59 Prevention Account.

60 (4) The Division of Finance shall deposit contributions and interest remaining on June
61 30, 2009 in the Wolf Depredation and Management Restricted Account created in Section
62 23-14-14.1 into the Agricultural and Wildlife Damage Prevention Account to be appropriated
63 for the purposes provided in this chapter.

64 Section 2. Section **23-14-14.1** is amended to read:

65 **23-14-14.1. Wolf Depredation and Management Restricted Account -- Interest --**
66 **Use of contributions and interest.**

67 (1) There is created within the General Fund the Wolf Depredation and Management
68 Restricted Account.

69 (2) The account shall be funded by contributions deposited into the Wolf Depredation
70 and Management Restricted Account in accordance with Section 59-10-1309.

71 (3) (a) The Wolf Depredation and Management Restricted Account shall earn interest.

72 (b) Interest earned on the Wolf Depredation and Management Restricted Account shall
73 be deposited into the Wolf Depredation and Management Restricted Account.

74 (4) (a) Subject to Subsection (4)(b) and except as provided in Subsection (5),
75 contributions and interest deposited into the Wolf Depredation and Management Restricted
76 Account shall be used by the Division of Wildlife Resources for:

77 (i) payments for livestock depredation by wolves; or

78 (ii) wolf management.

79 (b) Contributions and interest deposited into the Wolf Depredation and Management
80 Restricted Account may be used for the purposes described in Subsection (4)(a) only to the
81 extent permitted by federal law.

82 (5) Any contributions and interest remaining on June 30, 2009 in the Wolf
83 Depredation and Management Restricted Account shall be deposited into the Agricultural and
84 Wildlife Damage Prevention Account created in Section 4-23-7.5.

85 Section 3. Section **59-10-1304** is amended to read:

86 **59-10-1304. Removal of designation and prohibitions on collection for certain**
87 **contributions on income tax form -- Conditions for removal and prohibitions on**
88 **collection -- Commission reporting requirements.**

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

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

95 (i) the contribution provided for in Section 59-10-1305;

96 (ii) the contribution provided for in Section 59-10-1306;

97 (iii) the sum of the contributions provided for in Subsection 59-10-1307(1)~~[(a)]~~;

98 ~~[(iv) the contribution provided for in Subsection 59-10-1307(1)(b)];~~

99 ~~[(v)]~~ (iv) the contribution provided for in Section 59-10-1308; or

100 ~~[(vi) the contribution provided for in Section 59-10-1309; or]~~

101 ~~[(vii)]~~ (v) the contribution provided for in Section 59-10-1310.

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
105 in which the commission determines to remove the designation.

106 Section 4. Section **59-10-1307** is amended to read:

107 **59-10-1307. Contributions for education.**

108 (1) Except as provided in Section 59-10-1304, a resident or nonresident individual
109 that files an individual income tax return under this chapter may designate on the resident or
110 nonresident individual's individual income tax return a contribution as provided in this part to:

111 (a) ~~[(i)]~~ the foundation of any school district if that foundation is exempt from federal
112 income taxation under Section 501(c)(3), Internal Revenue Code; or

113 ~~[(ii)]~~ (b) a school district described in Title 53A, Chapter 2, School Districts, if the

114 school district has not established a foundation[~~;~~ ~~or~~].
115 [~~(b) a college campus of the Utah College of Applied Technology listed in Section~~
116 ~~53B-2a-105.~~]

117 (2) If a resident or nonresident individual designates an amount as a contribution
118 under:

119 (a) Subsection (1)(a)(~~ii~~), but does not designate a particular school district foundation
120 to receive the contribution, the contribution shall be made to the Utah State Office of
121 Education to be distributed to one or more associations of foundations:

122 (i) if those foundations that are members of the association are established in
123 accordance with Section 53A-4-205; and

124 (ii) as determined by the Utah State Office of Education; or

125 (b) Subsection (1)(~~a~~)(~~ii~~)(b), but does not designate a particular school district to
126 receive the contribution, the contribution shall be made to the Utah State Office of Education.

127 (3) The commission shall:

128 (a) determine annually the total amount of contributions designated to each entity
129 described in Subsection (1) in accordance with this section; and

130 (b) subject to Subsection (2), credit the amounts described in Subsection (1) to the
131 entities.

132 Section 5. Section **63I-2-204** is enacted to read:

133 **63I-2-204. Repeal dates -- Title 4.**

134 Subsection 4-23-7.5(4) is repealed July 1, 2010.

135 Section 6. Section **63I-2-223** is amended to read:

136 **63I-2-223. Repeal dates -- Title 23.**

137 Section 23-14-14.1 is repealed July 1, 2009.

138 Section 7. **Repealer.**

139 This bill repeals:

140 Section **59-10-1008, Targeted jobs tax credit.**

141 Section **59-10-1309, Contribution to Wolf Depredation and Management**

142 **Restricted Account.**

143 Section 8. **Retrospective operation.**

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

145 2009.