

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

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Julie Fisher**

Senate Sponsor: Wayne L. Niederhauser

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**LONG TITLE**

**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

**General Description:**

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

**Highlighted Provisions:**

This bill:

- ▶ repeals the income tax targeted jobs tax credit for individuals, estates, and trusts;
- ▶ repeals the individual income tax contributions for:
  - the Utah College of Applied Technology; and
  - the Wolf Depredation and Management Restricted Account;
- ▶ provides that contributions and interest remaining on June 30, 2009 in the Wolf Depredation and Management Restricted Account shall be deposited into the Agricultural and Wildlife Damage Prevention Account;
  - ▶ modifies the sources of funding for the Agricultural Wildlife Damage Prevention Account to include contributions and interest remaining on June 30, 2009 in the Wolf Depredation and Management Restricted Account;
  - ▶ provides repeal dates for provisions relating to:
    - the Wolf Depredation and Management Restricted Account; and



- 28 • contributions and interest remaining on June 30, 2009 in the Wolf Depredation
- 29 and Management Restricted Account that are deposited into the Agricultural and
- 30 Wildlife Damage Prevention Account; and
- 31 ▶ makes technical changes.

32 **Monies Appropriated in this Bill:**

33 None

34 **Other Special Clauses:**

35 This bill has retrospective operation for taxable years beginning on or after January 1,  
36 2009.

37 **Utah Code Sections Affected:**

38 AMENDS:

- 39 **4-23-7.5**, as last amended by Laws of Utah 1997, Chapter 82
- 40 **23-14-14.1**, as last amended by Laws of Utah 2008, Chapter 389
- 41 **59-10-1304**, as renumbered and amended by Laws of Utah 2008, Chapter 389
- 42 **59-10-1307**, as last amended by Laws of Utah 2008, Chapter 382 and renumbered and
- 43 amended by Laws of Utah 2008, Chapter 389
- 44 **63I-2-223**, as renumbered and amended by Laws of Utah 2008, Chapter 382

45 ENACTS:

46 **63I-2-204**, Utah Code Annotated 1953

47 REPEALS:

- 48 **59-10-1008**, as renumbered and amended by Laws of Utah 2006, Chapter 223
- 49 **59-10-1309**, as renumbered and amended by Laws of Utah 2008, Chapter 389



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

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

53 **4-23-7.5. Agricultural and Wildlife Damage Prevention Account.**

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

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

59 (3) Any supplemental contributions received by the department from livestock owners  
60 for predator control programs shall be deposited into the Agricultural and Wildlife Damage  
61 Prevention Account.

62 (4) The Division of Finance shall deposit contributions and interest remaining on June  
63 30, 2009 in the Wolf Depredation and Management Restricted Account created in Section  
64 23-14-14.1 into the Agricultural and Wildlife Damage Prevention Account to be appropriated  
65 for the purposes provided in this chapter.

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

67 **23-14-14.1. Wolf Depredation and Management Restricted Account -- Interest --**  
68 **Use of contributions and interest.**

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

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

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

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

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

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

80 (ii) wolf management.

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

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

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

88 **59-10-1304. Removal of designation and prohibitions on collection for certain**  
89 **contributions on income tax form -- Conditions for removal and prohibitions on**

90 **collection -- Commission reporting requirements.**

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

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

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

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

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

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

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

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

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

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

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

109 **59-10-1307. Contributions for education.**

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

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

115 ~~[(ii)]~~ (b) a school district described in Title 53A, Chapter 2, School Districts, if the  
116 school district has not established a foundation~~[; or]~~.

117 ~~[(b) a college campus of the Utah College of Applied Technology listed in Section~~  
118 ~~53B-2a-105.]~~

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

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

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

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

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

129 (3) The commission shall:

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

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

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

135 **63I-2-204. Repeal dates -- Title 4.**

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

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

138 **63I-2-223. Repeal dates -- Title 23.**

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

140 Section 7. **Repealer.**

141 This bill repeals:

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

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

144 **Restricted Account.**

145 Section 8. **Retrospective operation.**

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

147 2009.

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**Legislative Review Note**  
**as of 11-25-08 3:40 PM**

**Office of Legislative Research and General Counsel**

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**H.B. 20 - Repeal of Certain Income Tax Credits and Contributions**

**Fiscal Note**

2009 General Session  
State of Utah

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**State Impact**

Enactment of this bill would eliminate funding for the Wolf Depredation Restricted Account resulting in a restricted fund loss of approximately \$13,000.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Restricted Funds	\$0	\$0	\$0	\$0	(\$13,000)	(\$13,000)
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$13,000)</b>	<b>(\$13,000)</b>

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**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.