

# 1st Sub. H.B. 35

## HIGHER EDUCATION TAX CREDIT AND CONTRIBUTION

HOUSE FLOOR AMENDMENTS

AMENDMENT 2

FEBRUARY 6, 2009 11:02 AM

Representative **Tim M. Cosgrove** proposes the following amendments:

1. *Page 1, Line 9:*

9 This bill {~~creates a tax credit for higher education tuition and fees and~~} allows an

2. *Page 1, Lines 13 through 20:*

13 This bill:

14 {~~allows a claimant to claim a nonrefundable tax credit for tuition and mandatory fees~~  
15 ~~for the claimant's enrollment in an institution within the state system of higher~~  
16 ~~education;~~  
17 ~~limits the nonrefundable tax credit to 5% of the claimant's tax liability before tax~~  
18 ~~credits;~~  
19 ~~allows the claimant to carry forward the nonrefundable tax credit if the amount of~~  
20 ~~the tax credit exceeds 5% of the claimant's tax liability before tax credits; and~~}

3. *Page 2, Lines 27 through 28:*

27 {~~This bill has retrospective operation for a taxable year beginning on or after January 1,~~  
28 ~~2009.~~} None

4. *Page 2, Line 34:*

34 {~~59-10-1025, Utah Code Annotated 1953~~}

5. *Page 7, Line 202 through Page 9, Line 244:*

202 {~~Section 2. Section 59-10-1025 is enacted to read:~~  
203 ~~59-10-1025. Nonrefundable higher education tuition credit.~~  
204 ~~(1) As used in this section:~~  
205 ~~(a) "Eligible institution" means an institution within the state system of higher~~  
206 ~~education specified in Section 53B-1-102.~~  
207 ~~(b) "Qualified tuition expenses" mean tuition and mandatory fees, less:~~  
208 ~~(i) refunds; and~~  
209 ~~(ii) amounts received from scholarships, grants, stipends, or similar forms of financial~~  
210 ~~aid that are not subject to repayment.~~  
211 ~~(2) (a) For taxable years beginning on or after January 1, 2009, a claimant may claim a~~

212 nonrefundable tax credit equal to the amount of the qualified tuition expenses paid:  
213 —— (i) (A) by the claimant; or  
214 —— (B) by another person on behalf of the claimant;  
215 —— (ii) in the taxable year; and  
216 —— (iii) for the claimant's enrollment at an eligible institution.  
217 —— (b) The amount of the nonrefundable tax credit claimed under Subsection (2)(a) may  
218 not exceed 5% of the claimant's tax liability before tax credits under this chapter.  
219 —— (c) If the nonrefundable tax credit allowed under this section exceeds 5% of the  
220 claimant's tax liability before tax credits under this chapter, the claimant may carry forward the  
221 excess amount to future taxable years.  
222 —— (d) The sum of the nonrefundable tax credit claimed under Subsection (2)(a) and any  
223 excess amount carried forward pursuant to Subsection (2)(c) may not exceed 5% of the  
224 claimant's tax liability before tax credits under this chapter.  
225 —— (e) A claimant who qualifies for a nonrefundable tax credit under this section shall, at  
226 the request of the commission:  
227 —— (i) identify to the commission the eligible institution or institutions where the claimant  
228 was enrolled; and  
229 —— (ii) provide written authorization for the eligible institution to release to the  
230 commission information regarding the claimant's tuition and related expenses, including  
231 scholarships and grants, that the institution is required to file under federal law for the purpose  
232 of the claimant claiming a federal tax credit.  
233 —— (3) Upon request of the commission, the eligible institution shall release the  
234 information specified in Subsection (2)(e)(ii) to the commission for a claimant that claims a tax  
235 credit under this section.  
236 —— (4) (a) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,  
237 the commission shall make rules that:  
238 —— (i) establish procedures for a claimant to claim a nonrefundable tax credit under this  
239 section; and  
240 —— (ii) define "tuition and mandatory fees" and "scholarships, grants, stipends, or similar  
241 forms of financial aid received but not subject to repayment" for the purposes of this section.  
242 —— (b) The commission shall define "tuition and mandatory fees" to include the same types  
243 of expenses for which a taxpayer may claim a Hope credit or Lifetime Learning credit under  
244 federal law. }

6. *Page 10, Lines 297 through 299*  
*House Committee Amendments*  
*2-2-2009:*

297 { Section 5. Retrospective operation.  
298 —— This bill has retrospective operation for a taxable year beginning on or after January 1,

**Renumber remaining sections accordingly**