

**INCOME TAX CONTRIBUTION FOR ELEMENTARY  
SCHOOLS**

2012 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Ross I. Romero**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Individual Income Tax Contributions Act to provide an individual income tax contribution for elementary schools.

**Highlighted Provisions:**

This bill:

- ▶ provides an individual income tax contribution for elementary schools in the state;
- ▶ provides that if the collections from the contribution and other education-related contributions do not meet a certain threshold amount, the State Tax Commission shall remove the designations for those contributions from the individual income tax return and may not collect the contributions; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2012.

**Utah Code Sections Affected:**

AMENDS:

**59-10-1304**, as last amended by Laws of Utah 2011, Chapter 294



28 ENACTS:

29 **59-10-1316**, Utah Code Annotated 1953



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

32 Section 1. Section **59-10-1304** is amended to read:

33 **59-10-1304. Removal of designation and prohibitions on collection for certain**  
34 **contributions on income tax return -- Conditions for removal and prohibitions on**  
35 **collection -- Commission reporting requirements.**

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

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

- 42 (i) the contribution provided for in Section 59-10-1305;
- 43 (ii) the contribution provided for in Section 59-10-1306;
- 44 (iii) the sum of the contributions provided for in Subsection 59-10-1307(1) and Section  
45 59-10-1316;
- 46 (iv) the contribution provided for in Section 59-10-1308;
- 47 (v) the contribution provided for in Section 59-10-1310; or
- 48 (vi) the contribution provided for in Section 59-10-1315.

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

53 Section 2. Section **59-10-1316** is enacted to read:

54 **59-10-1316. Contribution for elementary school.**

55 (1) As used in this section, "elementary school" means a public elementary school,  
56 including a charter school, that provides instruction to students in grades beginning with  
57 kindergarten up to and including grade 6, in whatever kind of school the grade levels exist.

58 (2) Except as provided in Section 59-10-1304 and subject to the other provisions of

59 this section, a resident or nonresident individual that files an individual income tax return under  
60 this chapter may designate on the resident or nonresident individual's individual income tax  
61 return a contribution to an elementary school in this state.

62 (3) If a resident or nonresident individual designates an amount as a contribution under  
63 Subsection (2) but does not designate a particular school to receive the contribution, the  
64 contribution shall be made to the Utah State Office of Education.

65 (4) The commission shall:

66 (a) determine annually the total amount of contributions designated to each elementary  
67 school in the state and the Utah State Office of Education in accordance with this section; and

68 (b) credit the amounts determined under Subsection (4)(a) to the elementary schools  
69 and the Utah State Office of Education.

70 **Section 3. Retrospective operation.**

71 This bill has retrospective operation for a taxable year beginning on or after January 1,  
72 2012.

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**Legislative Review Note**  
as of 2-2-12 9:12 AM

**Office of Legislative Research and General Counsel**