

Senator Ann Millner proposes the following substitute bill:

EDUCATOR TAX CREDIT AND RELATED STUDY

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Ann Millner

LONG TITLE

General Description:

This bill enacts a tax credit and requires a related study.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ enacts a refundable tax credit for certain expenses an educator incurs; and
- ▶ requires the State Board of Education to conduct a study related to the tax credit.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides for retrospective operation.

Utah Code Sections Affected:

ENACTS:

59-10-1111, Utah Code Annotated 1953

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL



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

27 Section 1. Section **59-10-1111** is enacted to read:

28 **59-10-1111. Definitions -- Refundable tax credit for eligible educator.**

29 (1) As used in this section:

30 (a) "Eligible educator" means a claimant who is:

31 (i) a teacher at a qualified school;

32 (ii) an instructor at a qualified school;

33 (iii) a counselor at a qualified school;

34 (iv) a principal at a qualified school; or

35 (v) an aide at a qualified school.

36 (b) (i) Subject to Subsection (1)(b)(ii), "qualified expense" means an amount paid or

37 incurred during a taxable year for the following if used for educational purposes in a

38 classroom:

39 (A) a book;

40 (B) computer equipment, including related software or a related service;

41 (C) other equipment;

42 (D) a supply; or

43 (E) supplementary material.

44 (ii) "Qualified expense" means, for purposes of a course in health or physical

45 education, an amount paid or incurred for an item described in Subsection (1)(b)(i) only if the

46 item is related to athletics.

47 (c) "Qualified school" means an elementary school or a secondary school that:

48 (i) is a public or private school located in the state; and

49 (ii) provides student instruction for one or more years of kindergarten through grade

50 12.

51 (2) Subject to the other provisions of this section, an eligible educator may claim a

52 refundable tax credit against a tax under this chapter for a qualified expense if the:

53 (a) eligible educator includes the qualified expense in adjusted gross income;

54 (b) qualified expense is not reimbursed by another person; and

55 (c) eligible educator works at least 900 hours during a school year in a qualified school.

56 (3) (a) For an eligible educator other than an eligible educator described in Subsection

57 (3)(b), a tax credit under this section is equal to the lesser of:

58 (i) the qualified expenses the eligible educator incurs during the taxable year; or

59 (ii) \$50.

60 (b) For an eligible educator who files a single federal individual income tax return
61 jointly with the eligible educator's spouse, and the spouse is also an eligible educator, a tax
62 credit under this section is equal to the lesser of:

63 (i) the qualified expenses each eligible educator incurs during the taxable year; or

64 (ii) \$50 per eligible educator.

65 (4) An eligible educator who claims a tax credit under this section shall retain a receipt
66 for any amount for which the eligible educator claims a tax credit under this section.

67 (5) At the request of the commission, an eligible educator shall provide a receipt for
68 any amount for which the eligible educator claims a tax credit under this section.

69 (6) (a) In accordance with any rules prescribed by the commission under Subsection
70 (6)(b), the commission shall make a refund to an eligible educator who claims a tax credit
71 under this section if the amount of the tax credit exceeds the eligible educator's tax liability
72 under this chapter.

73 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
74 commission may make rules providing procedures for making a refund to an eligible educator
75 as required by Subsection (6)(a).

76 **Section 2. State Board of Education study.**

77 (1) As used in this section, "eligible educator" means the same as that term is defined
78 in Section [59-10-1111](#).

79 (2) During the 2015 interim, the State Board of Education shall study the following for
80 each school district:

81 (a) the types of items eligible educators purchase for use in a classroom in public
82 elementary or secondary schools; and

83 (b) the amount of expenses eligible educators incur during a school year to purchase
84 the items described in Subsection (2)(a).

85 (3) The State Board of Education shall report its findings and recommendations on the
86 study described in Subsection (2) to the Education Interim Committee at or before the
87 November 2015 interim meeting.

88 (4) For purposes of Subsection (3), the State Board of Education's findings and
89 recommendations shall include whether the amount of the tax credit provided for in Section
90 59-10-1111 should be modified.

91 (5) This section is repealed on November 30, 2015.

92 Section 3. **Effective date -- Retrospective operation.**

93 (1) Except as provided in Subsection (2), this bill takes effect on May 12, 2015.

94 (2) The actions affecting Section 59-10-1111 have retrospective operation for a taxable
95 year beginning on or after January 1, 2015.