

SB0273S01 compared with SB0273

~~text~~ shows text that was in SB0273 but was deleted in SB0273S01.

text shows text that was not in SB0273 but was inserted into SB0273S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Jim Dabakis proposes the following substitute bill:

HIGHER EDUCATION TAX CREDITS

2015 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jim Dabakis

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts an individual income tax credit.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ enacts a nonrefundable tax credit for certain ~~parents for certain~~ higher education ~~costs~~expenses; and
- ▶ provides that the tax credit is subject to apportionment.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides for retrospective operation.

SB0273S01 compared with SB0273

Utah Code Sections Affected:

AMENDS:

59-10-1002.2, as last amended by Laws of Utah 2011, Chapter 302

ENACTS:

59-10-1033, Utah Code Annotated 1953

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

Section 1. Section **59-10-1002.2** is amended to read:

59-10-1002.2. Apportionment of tax credits.

(1) A nonresident individual or a part-year resident individual that claims a tax credit in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1021, 59-10-1022, 59-10-1023, 59-10-1024, ~~[or] 59-10-1028,~~ or 59-10-1033 may only claim an apportioned amount of the tax credit equal to:

(a) for a nonresident individual, the product of:

(i) the state income tax percentage for the nonresident individual; and

(ii) the amount of the tax credit that the nonresident individual would have been

allowed to claim but for the apportionment requirements of this section; or

(b) for a part-year resident individual, the product of:

(i) the state income tax percentage for the part-year resident individual; and

(ii) the amount of the tax credit that the part-year resident individual would have been

allowed to claim but for the apportionment requirements of this section.

(2) A nonresident estate or trust that claims a tax credit in accordance with Section 59-10-1017, 59-10-1020, 59-10-1022, 59-10-1024, or 59-10-1028 may only claim an apportioned amount of the tax credit equal to the product of:

(a) the state income tax percentage for the nonresident estate or trust; and

(b) the amount of the tax credit that the nonresident estate or trust would have been

allowed to claim but for the apportionment requirements of this section.

Section 2. Section **59-10-1033** is enacted to read:

59-10-1033. Nonrefundable tax credit for higher education costs.

(1) As used in this section ~~f~~

~~(a) };~~ ~~"(Higher) qualified higher education {costs} expenses"~~ means ~~{the same as that~~

SB0273S01 compared with SB0273

term is defined in Section 53B-8a-102.

~~(b) "Qualified individual" is an individual who lives in a household that has an adjusted gross income that is less than 200% of the federal poverty guideline as published by the United States Department of Health and Human Services during the taxable year~~ an expense described in Section 529(e)(3), Internal Revenue Code, except that an expense shall be determined without regard to whether the individual with respect to whom the expense is incurred is a beneficiary under Section 529(e)(3), Internal Revenue Code.

(2) Except as provided in Section 59-10-1002.2 and subject to the other provisions of this section, a claimant may claim a nonrefundable tax credit against a tax under this chapter:

~~(a) if the claimant, or another claimant who files a joint return under this chapter with the claimant, is a qualified individual;~~ filing the return on which the tax credit is claimed is allowed to claim any amount of a federal earned income tax credit under Section 32, Internal Revenue Code, on the claimant's federal income tax return for the taxable year, regardless of whether the claimant actually claims the federal earned income tax credit; and

(b) equal to the product of:

(i) the amount of qualified higher education ~~costs~~ expenses the ~~qualified individual~~ claimant pays during the taxable year; and

(ii) 5%.

(3) A tax credit under this section may not exceed the product of 5% and the maximum amount of a qualified investment under Subsection 53B-8a-106(1), determined without regard to whether:

(a) a claimant claims a tax credit under Section 59-10-1017; or

(b) the claimant is an account owner as defined in Section 53B-8a-102.

(4) For purposes of Subsection (2)(a), whether a claimant is allowed to claim any amount of federal earned income tax credit under Section 32, Internal Revenue Code, shall be determined on the basis of the sum of the adjusted gross incomes of all individuals who file the return.

~~(4)~~ 5) A tax credit under this section may not be claimed with respect to any portion of qualified higher education ~~costs~~ expenses described in Subsection (2) that a claimant deducts on a federal income tax return.

~~(5)~~ 6) A tax credit under this section may not be carried forward or carried back.

SB0273S01 compared with SB0273

Section 3. **Retrospective operation.**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2015.

†

Legislative Review Note

— as of ~~2-26-15 10:48 AM~~

— ~~Office of Legislative Research and General Counsel~~