

TAX CREDIT FOR EDUCATOR EXPENSES

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts a refundable income tax credit for certain educator expenses.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ enacts a refundable individual income tax credit that an eligible teacher may claim for certain out-of-pocket classroom expenses; and
- ▶ grants the State Tax Commission rulemaking authority.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:
59-10-1113, Utah Code Annotated 1953

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

Section 1. Section **59-10-1113** is enacted to read:
59-10-1113. Refundable tax credit for out-of-pocket classroom expenses.
(1) As used in this section:



28 (a) "Eligible teacher" means an individual who is:

29 (i) employed by a school that provides education for kindergarten, elementary, or
30 secondary school students; and

31 (ii) has an assignment to teach in a classroom.

32 (b) (i) "Out-of-pocket classroom expense" means an expense described in 26 U.S.C.
33 Sec. 62(a)(2)(D)(ii).

34 (ii) "Out-of-pocket classroom expense" does not include an expense or any portion of
35 an expense the claimant deducts on the claimant's federal individual income tax return as
36 allowed by 26 U.S.C. Sec. 62(a)(2)(D).

37 (2) For a taxable year beginning on or after January 1, 2021, a claimant who is an
38 eligible teacher may claim a refundable tax credit:

39 (a) as provided in this section; and

40 (b) in an amount equal to the product of:

41 (i) the total amount an eligible teacher's out-of-pocket classroom expenses during the
42 taxable year; and

43 (ii) 4.95%.

44 (3) For a taxable year, a tax credit under this section may not exceed \$1,000 on a
45 return.

46 (4) (a) In accordance with any rules made by the commission under Subsection (4)(b),
47 the commission shall make a refund to a claimant who claims a tax credit under this section if
48 the amount of the tax credit exceeds the claimant's tax liability for the taxable year.

49 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
50 commission may make rules providing procedures for making a refund to a claimant as
51 required by Subsection (4)(a).