

**Senator Jacob L. Anderegg** proposes the following substitute bill:

**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:



26 **59-10-1113. Refundable tax credit for out-of-pocket classroom expenses.**  
27 (1) As used in this section:  
28 (a) "Eligible teacher" means an individual:  
29 (i) who is employed by a school; and  
30 (ii) whose primary function is to provide:  
31 (A) instructional services to students; or  
32 (B) a combination of instructional and counseling services to students.  
33 (b) (i) "Out-of-pocket classroom expense" means an expense paid or incurred by an  
34 eligible teacher in connection with the following, if used by the eligible teacher while  
35 providing instructional or counseling services to students:  
36 (A) supplies;  
37 (B) equipment, including computer equipment and related software or services; or  
38 (C) supplementary materials.  
39 (ii) "Out-of-pocket classroom expense" does not include an expense or any portion of  
40 an expense the claimant deducts on the claimant's federal individual income tax return as  
41 allowed by 26 U.S.C. Sec. 62(a)(2)(D).  
42 (c) "School" means a public or private entity located in the state that:  
43 (i) is an elementary school or a secondary school; and  
44 (ii) provides instruction for one or more of the grades kindergarten through 12.  
45 (2) For a taxable year beginning on or after January 1, 2021, a claimant who is an  
46 eligible teacher may claim a refundable tax credit:  
47 (a) as provided in this section; and  
48 (b) in an amount equal to the eligible teacher's out-of-pocket classroom expenses  
49 during the taxable year.  
50 (3) For a taxable year, a tax credit under this section may not exceed \$1,000 per  
51 eligible teacher on a return.  
52 (4) (a) In accordance with any rules made by the commission under Subsection (4)(b),  
53 the commission shall make a refund to a claimant who claims a tax credit under this section if  
54 the amount of the tax credit exceeds the claimant's tax liability for the taxable year.  
55 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
56 commission may make rules providing procedures for making a refund to a claimant as

57 required by Subsection (4)(a).