

Representative Tim Quinn proposes the following substitute bill:

TAX CREDIT FOR EDUCATOR EXPENSES

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jacob L. Anderegg

House Sponsor: Mike Winder

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ enacts a nonrefundable 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:

59-10-1041, Utah Code Annotated 1953

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

Section 1. Section **59-10-1041** is enacted to read:



26 **59-10-1041. Refundable tax credit for out-of-pocket classroom expenses.**
27 (1) As used in this section:
28 (a) "Classroom supply" means:
29 (i) a book;
30 (ii) computer equipment, including related software or services;
31 (iii) other equipment;
32 (iv) supplementary material; or
33 (v) other supplies.
34 (b) (i) "Eligible teacher" means an individual:
35 (A) who is employed to work in a school; and
36 (B) whose primary function is to provide instructional services to students or a
37 combination of instructional and counseling services to students.
38 (ii) "Eligible teacher" does not include a substitute teacher.
39 (c) (i) "Out-of-pocket classroom expense" means an amount paid or incurred by an
40 eligible teacher for a classroom supply, if the classroom supply is primarily used:
41 (A) in a classroom while the eligible teacher provides instructional services to students;
42 (B) while the eligible teacher provides counseling services to students at school; or
43 (C) a combination of the activities described in Subsections (1)(c)(i)(A) and (B).
44 (ii) "Out-of-pocket classroom expense" does not include an amount that:
45 (A) the claimant deducts on the claimant's federal individual income tax return as
46 allowed by 26 U.S.C. Sec. 62(a)(2)(D); or
47 (B) is reimbursed by another person.
48 (d) "School" means a public or private entity located in the state that:
49 (i) is an elementary school or a secondary school; and
50 (ii) provides instruction for one or more of the grades kindergarten through 12.
51 (2) For a taxable year beginning on or after January 1, 2021, a claimant who is an
52 eligible teacher may claim a nonrefundable tax credit:
53 (a) as provided in this section; and
54 (b) in an amount equal to the eligible teacher's out-of-pocket classroom expenses
55 during the taxable year.
56 (3) For a taxable year, a tax credit under this section may not exceed \$500 per eligible

57 teacher on a return.

58 (4) A claimant may not carry forward or carry back a tax credit under this section.