

TAX CREDIT FOR EDUCATOR EXPENSES

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kera Birkeland

Senate Sponsor: _____

LONG TITLE

General Description:

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

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ enacts a nonrefundable individual income tax credit that an eligible educator may claim for certain out-of-pocket classroom expenses.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

59-10-1046, Utah Code Annotated 1953

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

Section 1. Section **59-10-1046** is enacted to read:

59-10-1046. Nonrefundable tax credit for out-of-pocket classroom expenses.

(1) As used in this section:

(a) "Classroom supply" means an item that is a book, supply, equipment, software, or



28 supplementary material, if the item is primarily used in a school while an eligible educator
29 provides one or more students:

- 30 (i) instructional services;
- 31 (ii) counseling services;
- 32 (iii) speech-language pathology services; or
- 33 (iv) a combination of two or more services described in Subsections (1)(a)(i) through
34 (iii).

35 (b) (i) "Eligible educator" means an individual:

- 36 (A) who is employed to work in a school; and
- 37 (B) whose primary function is to provide students instructional services, counseling
38 services, or speech-language pathology services.

39 (ii) "Eligible educator" includes an individual described in Subsection (1)(b)(i) who is
40 a paraprofessional.

41 (iii) "Eligible educator" does not include a substitute teacher.

42 (c) (i) "Out-of-pocket classroom expense" means an amount paid or incurred by an
43 eligible educator for:

- 44 (A) a classroom supply; or
- 45 (B) a student aid item that is provided to a student at school.

46 (ii) "Out-of-pocket classroom expense" does not include an amount that:

- 47 (A) the eligible educator deducts on the eligible educator's federal individual income
48 tax return as allowed by 26 U.S.C. Sec. 62(a)(2)(D); or
- 49 (B) is reimbursed by another person.

50 (d) "School" means a public or private entity located in the state that:

- 51 (i) is an elementary school or a secondary school; and
- 52 (ii) provides instruction for one or more of the grades kindergarten through 12.

53 (e) "Student aid item" means an item that is:

- 54 (i) food or a hygiene product; and
- 55 (ii) intended for students who an eligible educator determines do not have sufficient
56 access to food or hygiene products.

57 (2) For a taxable year beginning on or after January 1, 2023, a claimant who is an
58 eligible educator may claim a nonrefundable tax credit:

59 (a) as provided in this section; and

60 (b) in an amount equal to the eligible educator's out-of-pocket classroom expenses
61 during the taxable year.

62 (3) A tax credit under this section may not exceed \$500 per eligible educator on a
63 return.

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

65 Section 2. **Effective date.**

66 This bill takes effect on January 1, 2023.