TAX CREDIT FOR EDUCATOR EXPENSES

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Kera Birkeland

Senate Sponsor: ____________

LONG TITLE

General Description:

This bill enacts an income tax credit for out-of-pocket expenses incurred by an educator.

Highlighted Provisions:

This bill:

- enacts a nonrefundable income tax credit for a classroom supply or a student aid item that an educator provides to a student or as part of educational services.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

ENACTS:

59-10-1048, Utah Code Annotated 1953

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

Section 1. Section **59-10-1048** is enacted to read:

59-10-1048. 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, a supply, equipment, software, or a supplementary material, if the item is used primarily in a school as part of an eligible educator's provision, to one or more students, of:

(i) instructional services;

(ii) counseling services;

(iii) speech-language pathology services; or

(iv) a combination of two or more services described in Subsections (1)(a)(i) through (iii).

(b) (i) "Eligible educator" means a claimant:

(A) who is employed to work in a school; and

(B) whose primary function is to provide instructional services, counseling services, or speech-language pathology services to a student.

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

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

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

(A) a classroom supply; or

(B) a student aid item that is provided to a student at school.

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

(A) the eligible educator deducts on the eligible educator's federal individual income tax return as allowed by 26 U.S.C. Sec. 62(a)(2)(D); or

(B) is reimbursed by another person.

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

(i) is an elementary school or a secondary school; and

(ii) provides instruction for one or more of the grades kindergarten through 12.

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

(i) food or a hygiene product; and

(ii) intended for a student who an eligible educator determines does not have sufficient access to food or hygiene products.

(2) An eligible educator may claim a nonrefundable tax credit in an amount equal to the lesser of:

(a) the eligible educator's out-of-pocket classroom expenses during the taxable year; or

(b) $500.

(3) An eligible educator may not carry forward or carry back the amount of the tax credit that exceeds the eligible educator's tax liability.

Section 2. **Effective date.**

This bill takes effect on May 1, 2024.

Section 3. **Retrospective operation.**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2024.