

**ALTERNATIVE EDUCATION TAX CREDIT AMENDMENTS**

2021 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John D. Johnson**

House Sponsor: \_\_\_\_\_

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**LONG TITLE****General Description:**

This bill enacts a refundable tax credit for certain education expenses.

**Highlighted Provisions:**

This bill:

- defines terms; and
- enacts a one-time refundable tax credit that an individual may claim for a dependent's education expenses resulting from disenrollment in public education and enrollment in private education or home school.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

ENACTS:

**59-10-1113**, Utah Code Annotated 1953

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*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 education expenses.**

(1) As used in this section:



(a) "Dependent" means an individual with respect to whom a claimant, estate, or trust is allowed to claim a tax credit under Section 24, Internal Revenue Code, on a claimant's, estate's, or trust's federal individual income tax return for the taxable year.

(b) (i) "Education expense" means an amount paid for tuition, fees, educational software, textbooks, curriculum, or other instructional materials associated with providing a private education to or home schooling an eligible dependent.

(ii) "Education expense" includes supplemental materials or online instruction required by a private education or home school curriculum.

(iii) "Education expense" does not include any amount:

(A) paid with funds from a 529 savings account; or

(B) reimbursed by another person.

(c) "Eligible dependent" means a dependent who:

(i) before March 16, 2020, was enrolled in public education; and

(ii) on or after March 16, 2020, disenrolled from public education to enroll in private education or to home school in the state.

(d) "Home school" means an education provided in accordance with Section 53G-6-204.

(e) "Public education" means a public school located in the state that provides instruction for one or more of the grades kindergarten through 12.

(f) "Value of the weighted pupil unit" means the same as that term is defined in Section 53F-4-301.

(2) For a taxable year beginning on or after January 1, 2021, and beginning on or before December 31, 2021, a claimant, estate, or trust may claim, for each eligible dependent, a refundable tax credit equal to:

(a) the lesser of:

(i) the amount of education expenses incurred in 2020; or

(ii) 75% of the value of the weighted pupil unit for the 2019-20 fiscal year; and

(b) the lesser of:

(i) the amount of education expenses incurred in 2021; or

(ii) 75% of the value of the weighted pupil unit for the 2020-21 fiscal year.

Section 2. **Retrospective operation.**

59           This bill has retrospective operation for a taxable year beginning on or after January 1,  
60   2021.