S.B. 69
4th Sub. (Pumpkin)

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:

59-10-1041. Refundable tax credit for out-of-pocket classroom expenses.

(1) As used in this section:

(a) "Classroom supply" means:

(i) a book;

(ii) computer equipment, including related software or services;

(iii) other equipment;

(iv) supplementary material; or

(v) other supplies.

(b) (i) "Eligible teacher" means an individual:

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

(B) whose primary function is to provide instructional services to students or a combination of instructional and counseling services to students.

(ii) "Eligible teacher" does not include a substitute teacher.

(c) (i) "Out-of-pocket classroom expense" means an amount paid or incurred by an eligible teacher for a classroom supply, if the classroom supply is primarily used:

(A) in a classroom while the eligible teacher provides instructional services to students;

(B) while the eligible teacher provides counseling services to students at school; or

(C) a combination of the activities described in Subsections (1)(c)(i)(A) and (B).

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

(A) the claimant deducts on the claimant'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.

(2) For a taxable year beginning on or after January 1, 2021, a claimant who is an eligible teacher may claim a nonrefundable tax credit:

(a) as provided in this section; and

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

(3) For a taxable year, a tax credit under this section may not exceed $500 per eligible

teacher on a return.

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