

**INDIVIDUAL INCOME TAX CREDIT FOR PURCHASE OF  
PUBLIC TRANSIT PASS AND RELATED FUNDING**

2013 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Marie H. Poulson**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill enacts an individual income tax credit and provides for transfers from the General Fund into the Education Fund in the amount of tax credit claimed.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ provides an individual income tax credit for the purchase of certain public transit passes;
- ▶ addresses apportionment of the tax credit;
- ▶ requires transfers from the General Fund into the Education Fund in the amount of tax credit claimed;
- ▶ grants rulemaking authority to the State Tax Commission; and
- ▶ makes technical and conforming changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2013.

**Utah Code Sections Affected:**



28 AMENDS:

29 **59-10-1002.2**, as last amended by Laws of Utah 2011, Chapter 302

30 ENACTS:

31 **59-10-1032**, Utah Code Annotated 1953



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

34 Section 1. Section **59-10-1002.2** is amended to read:

35 **59-10-1002.2. Apportionment of tax credits.**

36 (1) A nonresident individual or a part-year resident individual that claims a tax credit  
37 in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1021, 59-10-1022,  
38 59-10-1023, 59-10-1024, ~~or~~ 59-10-1028, or 59-10-1032 may only claim an apportioned  
39 amount of the tax credit equal to:

40 (a) for a nonresident individual, the product of:

41 (i) the state income tax percentage for the nonresident individual; and

42 (ii) the amount of the tax credit that the nonresident individual would have been  
43 allowed to claim but for the apportionment requirements of this section; or

44 (b) for a part-year resident individual, the product of:

45 (i) the state income tax percentage for the part-year resident individual; and

46 (ii) the amount of the tax credit that the part-year resident individual would have been  
47 allowed to claim but for the apportionment requirements of this section.

48 (2) A nonresident estate or trust that claims a tax credit in accordance with Section  
49 59-10-1017, 59-10-1020, 59-10-1022, 59-10-1024, or 59-10-1028 may only claim an  
50 apportioned amount of the tax credit equal to the product of:

51 (a) the state income tax percentage for the nonresident estate or trust; and

52 (b) the amount of the tax credit that the nonresident estate or trust would have been  
53 allowed to claim but for the apportionment requirements of this section.

54 Section 2. Section **59-10-1032** is enacted to read:

55 **59-10-1032. Definitions -- Nonrefundable tax credit for purchase of a public**  
56 **transit pass.**

57 (1) As used in this section:

58 (a) "Eligible public transit pass holder" means the following individuals for whom a

59 public transit pass is purchased:

60 (i) a claimant;

61 (ii) the claimant's spouse, if any; or

62 (iii) an individual who the claimant claims as a dependent under Section 151, Internal

63 Revenue Code, on the claimant's federal individual income tax return for the taxable year.

64 (b) "Public transit pass" means a fare for public transit that is:

65 (i) purchased in a single transaction; and

66 (ii) valid for a time period of one month or more.

67 (c) "Public transit" means transportation:

68 (i) other than air transportation or water transportation;

69 (ii) of passengers only and their incidental baggage;

70 (iii) provided by a governmental entity; and

71 (iv) by means other than:

72 (A) chartered bus;

73 (B) sightseeing bus; or

74 (C) taxi.

75 (2) Except as provided in Section 59-10-1002.2, and subject to the other provisions of

76 this section, for a taxable year beginning on or after January 1, 2013, but beginning on or

77 before December 31, 2017, a claimant may claim a nonrefundable tax credit against a tax under

78 this chapter for the amount the taxpayer pays:

79 (a) for a taxable year; and

80 (b) to purchase one or more public transit passes for use by an eligible public transit

81 pass holder.

82 (3) A taxpayer may claim a tax credit under this section for the amount the taxpayer

83 pays for a taxable year to purchase one or more public transit passes for use by an eligible

84 public transit pass holder if the taxpayer:

85 (a) pays at least \$450 for the taxable year to purchase one or more public transit passes

86 for use by that eligible public transit pass holder;

87 (b) includes the amount in adjusted gross income;

88 (c) does not claim the amount as a deduction or credit on a state or federal individual

89 income tax return for the taxable year; and

90 (d) does not receive reimbursement for the amount from any other person.

91 (4) (a) A claimant that claims a tax credit under this section shall retain a receipt for  
92 any amount for which the claimant claims a tax credit under this section.

93 (b) At the request of the commission, a claimant shall provide a receipt described in  
94 Subsection (4)(a) to the commission.

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

96 (6) In accordance with any rules prescribed by the commission under Subsection (7),  
97 the commission shall transfer at least annually from the General Fund into the Education Fund  
98 an amount equal to the amount of tax credit claimed under this section.

99 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
100 commission may make rules for making a transfer from the General Fund into the Education  
101 Fund as required by Subsection (6).

102 Section 3. **Retrospective operation.**

103 This bill has retrospective operation for a taxable year beginning on or after January 1,  
104 2013.

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**Legislative Review Note**  
as of 2-12-13 8:38 AM

**Office of Legislative Research and General Counsel**