

1                   **EDUCATION EXPENSES TAX CREDIT DURING PUBLIC**  
2                                   **HEALTH EMERGENCY**

3                                   2021 GENERAL SESSION

4                                   STATE OF UTAH

5                   **Chief Sponsor: Wayne A. Harper**

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

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8   **LONG TITLE**

9   **General Description:**

10           This bill enacts a nonrefundable income tax credit for certain education expenses during  
11 a public health emergency.

12   **Highlighted Provisions:**

13           This bill:

- 14           ▶ defines terms; and  
15           ▶ enacts a nonrefundable individual income tax credit that an individual may claim  
16 for a dependent's education expenses incurred as a result of a change in school  
17 enrollment or instruction caused by a public health emergency.

18   **Money Appropriated in this Bill:**

19           None

20   **Other Special Clauses:**

21           This bill provides retrospective operation.

22   **Utah Code Sections Affected:**

23   ENACTS:

24           **59-10-1042**, Utah Code Annotated 1953

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

27           Section 1. Section **59-10-1042** is enacted to read:



28           **59-10-1042. Nonrefundable tax credit education expenses during a public health**  
29 **emergency.**

30           (1) As used in this section:

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

34           (b) (i) "Education expense" means an amount paid or incurred by a claimant, estate, or  
35 trust that is:

36           (A) necessary to facilitate a change described in Subsection (1)(c)(ii);

37           (B) not an amount the claimant, estate, or trust would have incurred without  
38 experiencing a change described in Subsection (1)(c)(ii); and

39           (C) directly related to the eligible dependent's school instruction.

40           (ii) "Education expense" does not include an amount that is reimbursed by another  
41 person.

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

43           (i) is enrolled in a school for all or a portion of the taxable year; and

44           (ii) as a result of circumstances caused by a public health emergency, experiences:

45           (A) a change in school enrollment, including disenrolling from a public school to home  
46 school or enroll in a private school; or

47           (B) a decrease in the amount of in person instruction the dependent from the  
48 dependent's school.

49           (d) "Public health emergency" means the same as that term is defined in Section  
50 [26-23b-102](#).

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

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

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

54           (2) Subject to the provisions of this section, a claimant, estate, or trust may claim a  
55 nonrefundable tax credit equal to the amount of the claimant's, estate's, or trust's education  
56 expenses during the taxable year, up to \$1,000 per eligible dependent.

57           (3) The tax credit described in this section is reduced by \$.013 for each dollar by which  
58 a claimant's, estate's, or trust's taxable income exceeds:

59 (a) for a claimant who has a single filing status, \$14,879;

60 (b) for a claimant who has a head of household filing status, \$22,318; or

61 (c) for a claimant who has a joint filing status, \$29,758.

62 (4) (a) For a taxable year beginning on or after January 1, 2022, the commission shall  
63 increase or decrease annually the dollar amounts by a percentage equal to the percentage  
64 difference between the consumer price index for the preceding calendar year and the consumer  
65 price index for calendar year 2020:

66 (i) the dollar amount listed in Subsection (3)(a); and

67 (ii) the dollar amount listed in Subsection (3)(b).

68 (b) After the commission increases or decreases the dollar amounts listed in Subsection  
69 (4)(a), the commission shall round those dollar amounts listed in Subsection (4)(a) to the  
70 nearest whole dollar.

71 (c) After the commission rounds the dollar amounts as required by Subsection (4)(b),  
72 the commission shall increase or decrease the dollar amount listed in Subsection (3)(c) so that  
73 the dollar amount listed in Subsection (3)(c) is equal to the product of:

74 (i) the dollar amount listed in Subsection (3)(a); and

75 (ii) two.

76 (d) For purposes of Subsection (4)(a), the commission shall calculate the consumer  
77 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

78 (5) A claimant, estate, or trust may not carry forward or carry back any tax credit that  
79 exceeds the claimant's, estate's, or trust's income tax liability for the taxable year.

80 **Section 2. Retrospective operation.**

81 This bill has retrospective operation for a taxable year beginning on or after January 1,  
82 2021.