

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 414

BY CHEW

AN ACT

1 RELATING TO INCOME TAX; AMENDING SECTION 63-3029A, IDAHO CODE, TO PROVIDE  
2 FOR AN INCOME TAX CREDIT FOR A CERTAIN CHARITABLE CONTRIBUTION; AMEND-  
3 ING SECTION 63-3029A, IDAHO CODE, AS AMENDED BY SECTION 5, CHAPTER 209,  
4 LAWS OF 2015, TO PROVIDE FOR AN INCOME TAX CREDIT FOR A CERTAIN CHARITA-  
5 BLE CONTRIBUTION; AND PROVIDING AN EFFECTIVE DATE.  
6

7 Be It Enacted by the Legislature of the State of Idaho:

8 SECTION 1. That Section 63-3029A, Idaho Code, be, and the same is hereby  
9 amended to read as follows:

10 63-3029A. INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS -- LIMITA-  
11 TION. At the election of the taxpayer, there shall be allowed, subject to  
12 the applicable limitations provided herein, as a credit against the income  
13 tax imposed by chapter 30, title 63, Idaho Code, an amount equal to fifty  
14 percent (50%) of the aggregate amount of charitable contributions made by  
15 such taxpayer during the year to a nonprofit corporation, fund, foundation,  
16 trust, or association organized and operated exclusively for the benefit  
17 of institutions of higher learning located within the state of Idaho, in-  
18 cluding a university related research park, to nonprofit private or public  
19 institutions of elementary, secondary, or higher education or their founda-  
20 tions located within the state of Idaho, to a nonprofit corporation, fund,  
21 foundation, trust or association which is: (i) organized and operated ex-  
22 clusively for the benefit of elementary or secondary education institutions  
23 located within the state of Idaho; (ii) officially recognized and designated  
24 by resolution of the applicable governing board as any such elementary or  
25 secondary education institution's sole designated supporting organization;  
26 and (iii) qualified to be exempt from federal taxation under the terms of  
27 section 501(c) (3) of the Internal Revenue Code, for the express purpose of  
28 supplementing and enhancing a thorough system of public schools as defined  
29 in section 33-1612, Idaho Code, or supplementing and enhancing the private  
30 school which is the beneficiary, to the opportunity scholarship program ac-  
31 count established in section 33-4303, Idaho Code, to Idaho education public  
32 broadcast system foundations within the state of Idaho, to the Idaho state  
33 historical society or its foundation, to the council for the deaf and hard  
34 of hearing, to the developmental disabilities council, to the commission  
35 for the blind and visually impaired, to the commission on Hispanic affairs,  
36 to the state independent living council, to the Idaho commission for li-  
37 braries and to public libraries or their foundations and library districts  
38 or their foundations located within the state of Idaho, to nonprofit public  
39 or private museums or their foundations located within the state of Idaho  
40 and to dedicated accounts within the Idaho community foundation inc. that  
41 exclusively support the charitable purposes otherwise qualifying for the  
42 tax credit authorized under the provisions of this section.

1 (1) In the case of a taxpayer other than a corporation, the amount al-  
2 lowable as a credit under this section for any taxable year shall not exceed  
3 fifty percent (50%) of such taxpayer's total income tax liability imposed by  
4 section 63-3024, Idaho Code, for the year, or five hundred dollars (\$500),  
5 whichever is less.

6 (2) In the case of a corporation, the amount allowable as a credit un-  
7 der this section for any taxable year shall not exceed ten percent (10%) of  
8 such corporation's total income or franchise tax liability imposed by sec-  
9 tions 63-3025 and 63-3025A, Idaho Code, for the year, or five thousand dol-  
10 lars (\$5,000), whichever is less.

11 For the purposes of this section, "contribution" means monetary dona-  
12 tions reduced by the value of any benefit received in return such as food, en-  
13 tertainment or merchandise.

14 For the purposes of this section, "institution of higher learning"  
15 means only an educational institution located within this state meeting all  
16 of the following requirements:

17 (a) It maintains a regular faculty and curriculum and has a regularly  
18 enrolled body of students in attendance at the place where its educa-  
19 tional activities are carried on.

20 (b) It regularly offers education above the twelfth grade.

21 (c) It is accredited by the northwest commission on colleges and uni-  
22 versities.

23 For the purposes of this section, a nonprofit institution of secondary  
24 or higher education means a private nonprofit secondary or higher educa-  
25 tional institution located within the state of Idaho, which is accredited  
26 by the northwest commission on colleges and universities, or accredited  
27 by a body approved by the state board of education. A nonprofit private  
28 institution of elementary education means a private nonprofit elementary  
29 educational institution located within the state of Idaho and accredited by  
30 the state board of education pursuant to section 33-119, Idaho Code.

31 For the purposes of this section, "organized and operated exclusively  
32 for the benefit of elementary or secondary education institutions" means  
33 having an explicit provision in the supporting organization's bylaws or  
34 other governing document that expressly identifies the elementary or sec-  
35 ondary schools, or one (1) or more school districts, in the state of Idaho  
36 that will be the exclusive beneficiary of the distributions of the nonprofit  
37 corporation, fund, foundation, trust or association.

38 For the purposes of this section, a nonprofit corporation, fund, foun-  
39 dation, trust or association that invests contributions in an endowment or  
40 otherwise shall be subject to the standards of care imposed under section  
41 33-5003, Idaho Code.

42 SECTION 2. That Section 63-3029A, Idaho Code, as amended by Section 5,  
43 Chapter 209, Laws of 2015, be, and the same is hereby amended to read as fol-  
44 lows:

45 63-3029A. INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS -- LIMITA-  
46 TION. At the election of the taxpayer, there shall be allowed, subject to  
47 the applicable limitations provided herein, as a credit against the income  
48 tax imposed by chapter 30, title 63, Idaho Code, an amount equal to fifty

1 percent (50%) of the aggregate amount of charitable contributions made by  
2 such taxpayer during the year to a nonprofit corporation, fund, foundation,  
3 trust, or association organized and operated exclusively for the benefit of  
4 institutions of higher learning located within the state of Idaho, includ-  
5 ing a university related research park, to nonprofit private or public in-  
6 stitutions of elementary, secondary, or higher education or their founda-  
7 tions located within the state of Idaho, to the opportunity scholarship pro-  
8 gram account established in section 33-4303, Idaho Code, to Idaho education  
9 public broadcast system foundations within the state of Idaho, to the Idaho  
10 state historical society or its foundation, to the council for the deaf and  
11 hard of hearing, to the developmental disabilities council, to the commis-  
12 sion for the blind and visually impaired, to the commission on Hispanic af-  
13 fairs, to the state independent living council, to the Idaho commission for  
14 libraries and to public libraries or their foundations and library districts  
15 or their foundations located within the state of Idaho, to nonprofit public  
16 or private museums or their foundations located within the state of Idaho and  
17 to dedicated accounts within the Idaho community foundation inc. that ex-  
18 clusively support the charitable purposes otherwise qualifying for the tax  
19 credit authorized under the provisions of this section.

20 (1) In the case of a taxpayer other than a corporation, the amount al-  
21 lowable as a credit under this section for any taxable year shall not exceed  
22 fifty percent (50%) of such taxpayer's total income tax liability imposed by  
23 section 63-3024, Idaho Code, for the year, or five hundred dollars (\$500),  
24 whichever is less.

25 (2) In the case of a corporation, the amount allowable as a credit un-  
26 der this section for any taxable year shall not exceed ten percent (10%) of  
27 such corporation's total income or franchise tax liability imposed by sec-  
28 tions 63-3025 and 63-3025A, Idaho Code, for the year, or five thousand dol-  
29 lars (\$5,000), whichever is less.

30 For the purposes of this section, "contribution" means monetary dona-  
31 tions reduced by the value of any benefit received in return such as food, en-  
32 tertainment or merchandise.

33 For the purposes of this section, "institution of higher learning"  
34 means only an educational institution located within this state meeting all  
35 of the following requirements:

36 (a) It maintains a regular faculty and curriculum and has a regularly  
37 enrolled body of students in attendance at the place where its educa-  
38 tional activities are carried on.

39 (b) It regularly offers education above the twelfth grade.

40 (c) It is accredited by the northwest commission on colleges and uni-  
41 versities.

42 For the purposes of this section, a nonprofit institution of secondary  
43 or higher education means a private nonprofit secondary or higher educa-  
44 tional institution located within the state of Idaho, which is accredited  
45 by the northwest commission on colleges and universities, or accredited  
46 by a body approved by the state board of education. A nonprofit private  
47 institution of elementary education means a private nonprofit elementary  
48 educational institution located within the state of Idaho and accredited by  
49 the state board of education pursuant to section 33-119, Idaho Code.

1           For the purposes of this section, a nonprofit corporation, fund, foun-  
2           dation, trust or association that invests contributions in an endowment or  
3           otherwise shall be subject to the standards of care imposed under section  
4           33-5003, Idaho Code.

5           SECTION 3. The provisions of Section 2 of this act shall be in full force  
6           and effect on and after January 1, 2020.