

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 451

BY REVENUE AND TAXATION COMMITTEE

AN ACT

1 RELATING TO INCOME TAX CREDITS; AMENDING SECTION 63-3029A, IDAHO CODE, TO  
2 PROVIDE AN INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS MADE TO RES-  
3 IDENCY PROGRAMS ACCREDITED BY THE ACCREDITATION COUNCIL FOR GRADUATE  
4 MEDICAL EDUCATION OR THE AMERICAN OSTEOPATHIC ASSOCIATION OR THEIR  
5 DESIGNATED NONPROFIT SUPPORT ORGANIZATIONS BASED IN IDAHO AND DEVOTED  
6 TO TRAINING RESIDENTS IN IDAHO; AMENDING SECTION 63-3029A, IDAHO CODE,  
7 AS AMENDED BY SECTION 3, CHAPTER 78, LAWS OF 2016, TO PROVIDE AN INCOME  
8 TAX CREDIT FOR CHARITABLE CONTRIBUTIONS MADE TO RESIDENCY PROGRAMS AC-  
9 CREDITED BY THE ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION  
10 OR THE AMERICAN OSTEOPATHIC ASSOCIATION OR THEIR DESIGNATED NONPROFIT  
11 SUPPORT ORGANIZATIONS BASED IN IDAHO AND DEVOTED TO TRAINING RESIDENTS  
12 IN IDAHO; AND PROVIDING AN EFFECTIVE DATE.  
13

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

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

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

1 public libraries or their foundations and library districts or their foun-  
2 dations located within the state of Idaho, to the Idaho STEM action center,  
3 to nonprofit public or private museums or their foundations located within  
4 the state of Idaho, to residency programs accredited by the accreditation  
5 council for graduate medical education or the American osteopathic associa-  
6 tion or their designated nonprofit support organizations based in Idaho and  
7 devoted to training residents in Idaho and to dedicated accounts within the  
8 Idaho community foundation inc. that exclusively support the charitable  
9 purposes otherwise qualifying for the tax credit authorized under the pro-  
10 visions of this section.

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

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

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

24 For the purposes of this section, "institution of higher learning"  
25 means only an educational institution located within this state meeting all  
26 of the following requirements:

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

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

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

33 For the purposes of this section, a nonprofit institution of secondary  
34 or higher education means a private nonprofit secondary or higher educa-  
35 tional institution located within the state of Idaho, which is accredited  
36 by the northwest commission on colleges and universities, or accredited  
37 by a body approved by the state board of education. A nonprofit private  
38 institution of elementary education means a private nonprofit elementary  
39 educational institution located within the state of Idaho and accredited by  
40 the state board of education pursuant to section 33-119, Idaho Code.

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

48 For the purposes of this section, a nonprofit corporation, fund, foun-  
49 dation, trust or association that invests contributions in an endowment or

1 otherwise shall be subject to the standards of care imposed under section  
2 33-5003, Idaho Code.

3 SECTION 2. That Section 63-3029A, Idaho Code, as amended by Section 3,  
4 Chapter 78, Laws of 2016, be, and the same is hereby amended to read as fol-  
5 lows:

6 63-3029A. INCOME TAX CREDIT FOR CHARITABLE CONTRIBUTIONS -- LIMITA-  
7 TION. At the election of the taxpayer, there shall be allowed, subject to  
8 the applicable limitations provided herein, as a credit against the income  
9 tax imposed by chapter 30, title 63, Idaho Code, an amount equal to fifty  
10 percent (50%) of the aggregate amount of charitable contributions made by  
11 such taxpayer during the year to a nonprofit corporation, fund, foundation,  
12 trust, or association organized and operated exclusively for the benefit  
13 of institutions of higher learning located within the state of Idaho, in-  
14 cluding a university related research park, to nonprofit private or public  
15 institutions of elementary, secondary, or higher education or their founda-  
16 tions located within the state of Idaho, to Idaho education public broadcast  
17 system foundations within the state of Idaho, to the Idaho state historical  
18 society or its foundation, to the council for the deaf and hard of hearing,  
19 to the developmental disabilities council, to the commission for the blind  
20 and visually impaired, to the commission on Hispanic affairs, to the state  
21 independent living council, to the Idaho commission for libraries and to  
22 public libraries or their foundations and library districts or their founda-  
23 tions located within the state of Idaho, to the Idaho STEM action center,  
24 to nonprofit public or private museums or their foundations located within  
25 the state of Idaho, to residency programs accredited by the accreditation  
26 council for graduate medical education or the American osteopathic associa-  
27 tion or their designated nonprofit support organizations based in Idaho and  
28 devoted to training residents in Idaho and to dedicated accounts within the  
29 Idaho community foundation inc. that exclusively support the charitable  
30 purposes otherwise qualifying for the tax credit authorized under the pro-  
31 visions of this section.

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

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38 der this section for any taxable year shall not exceed ten percent (10%) of  
39 such corporation's total income or franchise tax liability imposed by sec-  
40 tions 63-3025 and 63-3025A, Idaho Code, for the year, or five thousand dol-  
41 lars (\$5,000), whichever is less.

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

45 For the purposes of this section, "institution of higher learning"  
46 means only an educational institution located within this state meeting all  
47 of the following requirements:

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2 enrolled body of students in attendance at the place where its educa-  
3 tional activities are carried on.

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6 versities.

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8 or higher education means a private nonprofit secondary or higher educa-  
9 tional institution located within the state of Idaho, which is accredited  
10 by the northwest commission on colleges and universities, or accredited  
11 by a body approved by the state board of education. A nonprofit private  
12 institution of elementary education means a private nonprofit elementary  
13 educational institution located within the state of Idaho and accredited by  
14 the state board of education pursuant to section 33-119, Idaho Code.

15 For the purposes of this section, a nonprofit corporation, fund, foun-  
16 dation, trust or association that invests contributions in an endowment or  
17 otherwise shall be subject to the standards of care imposed under section  
18 33-5003, Idaho Code.

19 SECTION 3. Section 2 of this act shall be in full force and effect on and  
20 after January 1, 2020.