

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 263

BY WAYS AND MEANS 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 MEDI-
3 CAL RESIDENCY PLACEMENT ORGANIZATIONS ACCREDITED BY THE ACCREDITATION
4 COUNCIL FOR GRADUATE MEDICAL EDUCATION OR THE AMERICAN OSTEOPATHIC
5 ORGANIZATION BASED IN IDAHO AND DEVOTED TO PLACING MEDICAL RESIDENCY
6 WITHIN IDAHO; AMENDING SECTION 63-3029A, IDAHO CODE, AS AMENDED BY SEC-
7 TION 3, CHAPTER 78, LAWS OF 2016, TO PROVIDE AN INCOME TAX CREDIT FOR
8 CHARITABLE CONTRIBUTIONS MADE TO MEDICAL RESIDENCY PLACEMENT ORGANI-
9 ZATIONS ACCREDITED BY THE ACCREDITATION COUNCIL FOR GRADUATE MEDICAL
10 EDUCATION OR THE AMERICAN OSTEOPATHIC ORGANIZATION BASED IN IDAHO AND
11 DEVOTED TO PLACING MEDICAL RESIDENCY WITHIN IDAHO; AND PROVIDING AN
12 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 of
24 institutions of higher learning located within the state of Idaho, includ-
25 ing a university related research park, to nonprofit private or public in-
26 stitutions 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 system
38 foundations within the state of Idaho, to the Idaho state historical soci-
39 ety or its foundation, to the council for the deaf and hard of hearing, to
40 the developmental disabilities council, to the commission for the blind and
41 visually impaired, to the commission on Hispanic affairs, to the state in-
42 dependent living council, to the Idaho commission for libraries and to pub-

1 lic libraries or their foundations and library districts or their founda-
2 tions 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 medical residency placement organizations accredited
5 by the accreditation council for graduate medical education or the Ameri-
6 can osteopathic organization based in Idaho and devoted to placing medical
7 residency within Idaho and to dedicated accounts within the Idaho community
8 foundation inc. that exclusively support the charitable purposes otherwise
9 qualifying for the tax credit authorized under the provisions of this sec-
10 tion.

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 the
8 applicable limitations provided herein, as a credit against the income tax
9 imposed by chapter 30, title 63, Idaho Code, an amount equal to fifty percent
10 (50%) of the aggregate amount of charitable contributions made by such tax-
11 payer during the year to a nonprofit corporation, fund, foundation, trust,
12 or association organized and operated exclusively for the benefit of insti-
13 tutions of higher learning located within the state of Idaho, including a
14 university related research park, to nonprofit private or public institu-
15 tions of elementary, secondary, or higher education or their foundations lo-
16 cated within the state of Idaho, to Idaho education public broadcast system
17 foundations within the state of Idaho, to the Idaho state historical soci-
18 ety or its foundation, to the council for the deaf and hard of hearing, to
19 the developmental disabilities council, to the commission for the blind and
20 visually impaired, to the commission on Hispanic affairs, to the state in-
21 dependent living council, to the Idaho commission for libraries and to pub-
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24 to nonprofit public or private museums or their foundations located within
25 the state of Idaho, to medical residency placement organizations accredited
26 by the accreditation council for graduate medical education or the Ameri-
27 can osteopathic organization based in Idaho and devoted to placing medical
28 residency within Idaho and to dedicated accounts within the Idaho community
29 foundation inc. that exclusively support the charitable purposes otherwise
30 qualifying for the tax credit authorized under the provisions of this sec-
31 tion.

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.

37 (2) In the case of a corporation, the amount allowable as a credit un-
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:

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

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

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

7 For the purposes of this section, a nonprofit institution of secondary
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.