

33 related to a tax imposed by this state; or

34 (e) an adjustment to adjusted gross income required by Section 59-10-115 to the extent
35 the adjustment is related to an item described in Subsections (1)(a) through (d).

36 (2) For ~~the~~ purposes of Subsection (1):

37 (a) income from intangible personal property, including annuities, dividends, interest,
38 and gains from the disposition of intangible personal property, shall constitute income derived
39 from Utah sources only to the extent that the income is from property employed in a trade,
40 business, profession, or occupation carried on in this state;

41 (b) a deduction with respect to a capital loss, net long-term capital gain, or net
42 operating loss shall be:

43 (i) based solely on income, gain, loss, and deduction connected with Utah sources,
44 under rules prescribed by the commission in accordance with Title 63G, Chapter 3, Utah
45 Administrative Rulemaking Act~~[-but]; and~~

46 (ii) otherwise ~~shall be~~ determined in the same manner as the corresponding federal
47 deductions;

48 (c) a salary, wage, commission, or compensation for personal services rendered outside
49 this state may not be considered to be derived from Utah sources;

50 (d) a ~~[nonresident shareholder's distributive]~~ share of ~~[ordinary]~~ income, gain, loss,
51 ~~[and] deduction, or credit of a nonresident pass-through entity taxpayer, as defined in Section~~
52 ~~59-10-1402,~~ derived from or connected with Utah sources shall be determined ~~[under] in~~
53 ~~accordance with~~ Section 59-10-118;

54 (e) a nonresident, other than a dealer holding property primarily for sale to customers
55 in the ordinary course of the dealer's trade or business, may not be considered to carry on a
56 trade, business, profession, or occupation in this state solely by reason of the purchase or sale
57 of property for the nonresident's own account;

58 (f) if a trade, business, profession, or occupation is carried on partly within and partly
59 without this state, an item of income, gain, loss, or a deduction derived from or connected with
60 Utah sources shall be determined in accordance with Section 59-10-118;

61 ~~[(g) a nonresident partner's distributive share of partnership income, gain, loss,~~
62 ~~deduction, or credit derived from or connected with Utah sources shall be determined under~~
63 ~~Part 14, Pass-Through Entities and Pass-Through Entity Taxpayers Act;]~~

64 ~~[(h)]~~ (g) the share of a nonresident estate or trust or a nonresident beneficiary of any
65 estate or trust in income, gain, loss, or deduction derived from or connected with Utah sources
66 shall be determined under Section 59-10-207; and

67 ~~[(i)]~~ (h) any dividend, interest, or distributive share of income, gain, or loss from a real
68 estate investment trust, as defined in Section 59-7-101, distributed or allocated to a nonresident
69 investor in the trust, including any shareholder, beneficiary, or owner of a beneficial interest in
70 the trust, shall;

71 (i) be income from intangible personal property under Subsection (2)(a)~~[-];~~; and ~~[shall]~~

72 (ii) constitute income derived from Utah sources only to the extent the nonresident
73 investor is employing its beneficial interest in the trust in a trade, business, profession, or
74 occupation carried on by the investor in this state.

75 Section 2. **Retrospective operation.**

76 This bill has retrospective operation for a taxable year beginning on or after January 1,
77 2017.