

**Superseded 5/12/2015**

**59-7-614.2 Refundable economic development tax credit.**

- (1) As used in this section:
  - (a) "Business entity" means a taxpayer that meets the definition of "business entity" as defined in Section 63M-1-2403.
  - (b) "Community development and renewal agency" is as defined in Section 17C-1-102.
  - (c) "Local government entity" is as defined in Section 63M-1-2403.
  - (d) "Office" means the Governor's Office of Economic Development.
- (2) Subject to the other provisions of this section, a business entity, local government entity, or community development and renewal agency may claim a refundable tax credit for economic development.
- (3) The tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to the business entity, local government entity, or community development and renewal agency for the taxable year.
- (4) A community development and renewal agency may claim a tax credit under this section only if a local government entity assigns the tax credit to the community development and renewal agency in accordance with Section 63M-1-2404.
- (5)
  - (a) In accordance with any rules prescribed by the commission under Subsection (5)(b), the commission shall make a refund to the following that claim a tax credit under this section:
    - (i) a local government entity;
    - (ii) a community development and renewal agency; or
    - (iii) a business entity if the amount of the tax credit exceeds the business entity's tax liability for a taxable year.
  - (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for making a refund to a business entity, local government entity, or community development and renewal agency as required by Subsection (5)(a).
- (6)
  - (a) On or before October 1, 2013, and every five years after October 1, 2013, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations to the Legislative Management Committee concerning whether the tax credit should be continued, modified, or repealed.
  - (b) For purposes of the study required by this Subsection (6), the office shall provide the following information to the Revenue and Taxation Interim Committee:
    - (i) the amount of tax credit that the office grants to each business entity, local government entity, or community development and renewal agency for each calendar year;
    - (ii) the criteria that the office uses in granting a tax credit;
    - (iii)
      - (A) for a business entity, the new state revenues generated by the business entity for the calendar year; or
      - (B) for a local government entity, regardless of whether the local government entity assigns the tax credit in accordance with Section 63M-1-2404, the new state revenues generated as a result of a new commercial project within the local government entity for each calendar year;
    - (iv) the information contained in the office's latest report to the Legislature under Section 63M-1-2406; and
    - (v) any other information that the Revenue and Taxation Interim Committee requests.

- (c) The Revenue and Taxation Interim Committee shall ensure that its recommendations under Subsection (6)(a) include an evaluation of:
  - (i) the cost of the tax credit to the state;
  - (ii) the purpose and effectiveness of the tax credit; and
  - (iii) the extent to which the state benefits from the tax credit.