

**Senator Robert M. Muhlestein** proposes to substitute the following bill:

**INCOME TAX CREDIT FOR STAY-AT-HOME**

**PARENTS OR GUARDIAN**

1998 GENERAL SESSION

STATE OF UTAH

**Sponsor: Robert M. Muhlestein**

AN ACT RELATING TO INDIVIDUAL INCOME TAX; CREATING A TAX CREDIT FOR CERTAIN PARENTS; AND REQUIRING USE OF THE TAX CREDIT IN PREPARING REVENUE ESTIMATES AND BUDGETS.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

**59-10-108.1**, Utah Code Annotated 1953

This act enacts uncoded material.

*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-10-108.1** is enacted to read:

**59-10-108.1. Tax credit for at-home parent or guardian.**

(1) As used in this section, "at-home parent" means a parent or guardian who:

(a) stays at home and cares for one or more of his or her own children who are not yet age six as of the December 31 of the taxable year for which the credit is claimed;

(b) claims the child or children as dependents on a state income tax return for the taxable year for which the credit is claimed; and

(c) for whom all of the income for all federal Forms W-2 for the taxable year for which the credit is claimed show an income of \$3,000 or less.

(2) For taxable years beginning on or after January 1, 2000, there is allowed for each return filed when one or more of the filers is an at-home parent, a nonrefundable credit against the income tax due as provided in the following table:

**\*SB0210S3\***

If the state taxable income is:

The tax credit is:

Less than or equal

\$500 per child

to \$20,000

Greater than \$20,000

\$450 per child

but less than or

equal to \$22,500

Greater than \$22,500

\$400 per child

but less than or

equal to \$25,000

Greater than \$25,000

\$350 per child

but less than or

equal to \$27,500

Greater than \$27,500

\$300 per child

but less than or

equal to \$30,000

Greater than \$30,000

\$250 per child

but less than or

equal to \$32,500

Greater than \$32,500

\$200 per child

but less than or

equal to \$35,000

Greater than \$35,000

\$150 per child

but less than or

equal to \$37,500

Greater than \$37,500

\$100 per child

but less than or

equal to \$40,000

Greater than \$40,000

\$50 per child

but less than or

equal to \$75,000

(3) A taxpayer may not carry forward or carry back a tax credit authorized by this section.

Section 2. **Revenue estimate and budget calculation**

(1) In calculating revenue estimates and preparing his proposed budget for fiscal year 1999-2000, the governor shall calculate state revenues and prepare the budget as if the tax credit created by this bill were in effect.

(2) In calculating revenue estimates for fiscal year 1999-2000, the Legislative Fiscal Analyst shall calculate the revenues as if the tax credit created by this bill were in effect.