



UTAH STATE SENATE

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January 25, 2006

Mr. President:

The Revenue and Taxation Committee reports a favorable recommendation on **S.B. 139, REPORTABLE TRANSACTIONS ACT**, by Senator H. Stephenson, with the following amendments:

1. *Page 4, Line 94 through Page 5, Line 139:*

94 (2) (a) A taxpayer described in Subsection (1) shall disclose a reportable transaction
to
95 the commission in a manner required by the commission by rule made in accordance with
Title
96 63, Chapter 46a, Utah Administrative Rulemaking Act.
97 (b) If a taxpayer described in Subsection (1) is required to file a disclosure statement
98 under 26 C.F.R. Sec. 1.6011-4, the taxpayer shall provide the commission a copy of that
99 disclosure statement in a manner required by the commission by rule made in accordance
with
100 Title 63, Chapter 46a, Utah Administrative Rulemaking Act.
101 { ~~(3) Except as provided in Subsection (4), a taxpayer shall disclose a~~
reportable
102 transaction to the commission in the manner required by the commission by rule in
accordance
103 with Title 63, Chapter 46a, Utah Administrative Rulemaking Act. }
104 { ~~(4)~~ } (3) (a) For a listed transaction entered into on or after January 1, 2004,
but on or before

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105 December 31, 2006, a disclosure statement required by this section shall be attached to:
106 (i) (A) the taxpayer's income tax return for the taxable year beginning on or after
107 January 1, 2007 but beginning on or before December 31, 2007; and
108 (B) any amended income tax return that the taxpayer files for the taxable year
109 beginning on or after January 1, 2007 but beginning on or before December 31, 2007; and
110 (ii) subject to Subsection ~~{(4)}~~ (3) (b):
111 (A) the taxpayer's income tax return for any taxable year after the taxable year
112 beginning on or after January 1, 2007 but beginning on or before December 31, 2007, for
113 which there is a reduction in income tax as a result of the listed transaction; and
114 (B) any amended income tax return for any taxable year after the taxable year
115 beginning on or after January 1, 2007 but beginning on or before December 31, 2007, for
116 which there is a reduction in income tax as a result of the listed transaction.
117 (b) For purposes of Subsection ~~{(4)}~~ (3) (a)(ii), a reduction in income tax as a result of a
118 listed transaction includes a loss, credit, or deduction if the loss, credit, or deduction results
119 from a listed transaction that is carried forward or carried back.
120 ~~{(5)}~~ (4) For a reportable transaction entered into on or after January 1, 2004, a disclosure
121 statement required by this section shall be attached to an amended income tax return filed on or
122 after January 1, 2007, if the filing of the amended income tax return reflects a determination by
123 the Internal Revenue Service of the federal income tax treatment of the reportable transaction.
124 ~~{(6)}~~ (5) (a) For a reportable transaction entered into on or after January 1, 2007, a
125 disclosure
126 statement required by this section shall be attached to:
127 (i) (A) the taxpayer's income tax return for the taxable year during which the
128 transaction was entered into; and
129 (B) any amended income tax return that the taxpayer files for the taxable year during
130 which the transaction was entered into; and
131 (ii) subject to Subsection ~~{(6)}~~ (5) (b):
132 (A) the taxpayer's income tax return for any taxable year after the taxable year during
133 which the transaction was entered into, for which there is a reduction in income tax as a result
134 of the reportable transaction; and
135 (B) any amended income tax return for any taxable year after the taxable year during
136 which the transaction was entered into, for which there is a reduction in income tax as a result
of the reportable transaction.

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137 (b) For purposes of Subsection ~~{(6)}~~ (5) (a)(ii), a reduction in income tax as a result of a
138 reportable transaction includes a loss, credit, or deduction if the loss, credit, or deduction
139 results from a reportable transaction that is carried forward or carried back.

Respectfully,

Curtis S. Bramble
Committee Chair

Voting: 8-0-0

3 SB0139.SC1.WPD bhowe/BRH RLR/BRH 1/25/06 9:33 am

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