

**INCOME TAX CREDIT FOR TAXABLE
SOCIAL SECURITY BENEFITS**
2009 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Steven R. Mascaro

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the Nonrefundable Tax Credit Act to enact a tax credit.

Highlighted Provisions:

This bill:

- ▶ enacts a nonrefundable tax credit for taxable Social Security benefits;
- ▶ provides that the tax credit is subject to apportionment for a nonresident individual or a part-year resident individual; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation for a taxable year beginning on or after January 1, 2009.

Utah Code Sections Affected:

AMENDS:

59-10-1002.2, as renumbered and amended by Laws of Utah 2008, Chapter 389

ENACTS:

59-10-1025, Utah Code Annotated 1953



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

29 Section 1. Section **59-10-1002.2** is amended to read:

30 **59-10-1002.2. Apportionment of tax credits.**

31 (1) A nonresident individual or a part-year resident individual that claims a tax credit
32 in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1021, 59-10-1022,
33 59-10-1023, ~~or~~ 59-10-1024, or 59-10-1025, may only claim an apportioned amount of the tax
34 credit equal to:

35 (a) for a nonresident individual, the product of:

36 (i) the state income tax percentage for the nonresident individual; and

37 (ii) the amount of the tax credit that the nonresident individual would have been
38 allowed to claim but for the apportionment requirements of this section; or

39 (b) for a part-year resident individual, the product of:

40 (i) the state income tax percentage for the part-year resident individual; and

41 (ii) the amount of the tax credit that the part-year resident individual would have been
42 allowed to claim but for the apportionment requirements of this section.

43 (2) A nonresident estate or trust that claims a tax credit in accordance with Section
44 59-10-1017, 59-10-1020, 59-10-1022, or 59-10-1024, may only claim an apportioned amount
45 of the tax credit equal to the product of:

46 (a) the state income tax percentage for the nonresident estate or trust; and

47 (b) the amount of the tax credit that the nonresident estate or trust would have been
48 allowed to claim but for the apportionment requirements of this section.

49 Section 2. Section **59-10-1025** is enacted to read:

50 **59-10-1025. Nonrefundable tax credit for taxable Social Security benefits.**

51 (1) Except as provided in Section 59-10-1002.2 and subject to Subsections (2) through
52 (4), a claimant may claim a nonrefundable tax credit equal to the product of:

53 (a) the amount included in adjusted gross income as the taxable amount of Social
54 Security benefits on the claimant's federal individual income tax return for the taxable year; and

55 (b) 5%.

56 (2) A claimant may not claim a tax credit under this section for any amount of adjusted
57 gross income for which the claimant claims a tax credit under Section 59-10-1019.

58 (3) The maximum amount of a tax credit a claimant may claim on a return for a taxable

59 year, regardless of filing status, is the amount determined under Subsection (1).

60 (4) A claimant may not carry forward or carry back a tax credit under this section.

61 Section 3. **Retrospective operation.**

62 This bill has retrospective operation for a taxable year beginning on or after January 1,

63 2009.

Legislative Review Note

as of 9-30-08 11:16 AM

Office of Legislative Research and General Counsel

H.B. 77 - Income Tax Credit for Taxable Social Security Benefits

Fiscal Note

2009 General Session
State of Utah

State Impact

Enactment of this bill may reduce revenue to the Education Fund by an estimated \$56,000,000 in FY 2010 and FY 2011.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Education Fund	\$0	\$0	\$0	\$0	(\$56,000,000)	(\$56,000,000)
Total	\$0	\$0	\$0	\$0	(\$56,000,000)	(\$56,000,000)

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses, or local governments. Individual who have taxable social security benefits could receive a non-refundable tax credit.
