

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

2009 GENERAL SESSION  
STATE OF UTAH

**Chief Sponsor: Jack R. Draxler**

Senate Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends the Individual Income Tax Act relating to a nonrefundable tax credit for an at-home parent.

**Highlighted Provisions:**

This bill:

- ▶ increases the amount of the nonrefundable tax credit from \$100 to \$200; 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:

**59-10-1005**, as last amended by Laws of Utah 2007, Chapter 122

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

Section 1. Section **59-10-1005** is amended to read:

**59-10-1005. Tax credit for at-home parent.**



- 28 (1) As used in this section:
- 29 (a) "At-home parent" means a parent:
- 30 (i) who provides full-time care at the parent's residence for one or more of the parent's
- 31 own qualifying children;
- 32 (ii) who claims the qualifying child as a dependent on the parent's individual income
- 33 tax return for the taxable year for which the parent claims the credit; and
- 34 (iii) if the sum of the following amounts are \$3,000 or less for the taxable year for
- 35 which the parent claims the credit:
- 36 (A) the total wages, tips, and other compensation listed on all of the parent's federal
- 37 Forms W-2; and
- 38 (B) the gross income listed on the parent's federal Form 1040 Schedule C, Profit or
- 39 Loss From Business.
- 40 (b) "Parent" means an individual who:
- 41 (i) is the biological mother or father of a qualifying child;
- 42 (ii) is the stepfather or stepmother of a qualifying child;
- 43 (iii) (A) legally adopts a qualifying child; or
- 44 (B) has a qualifying child placed in the individual's home:
- 45 (I) by a child placing agency as defined in Section 62A-4a-601; and
- 46 (II) for the purpose of legally adopting the child;
- 47 (iv) is a foster parent of a qualifying child; or
- 48 (v) is a legal guardian of a qualifying child.
- 49 (c) "Qualifying child" means a child who is no more than 12 months of age on the last
- 50 day of the taxable year for which the tax credit is claimed.
- 51 (2) [~~For taxable years beginning on or after January 1, 2000, a~~] A claimant may claim
- 52 on the claimant's individual income tax return a nonrefundable tax credit of [~~\$100~~] \$200 for
- 53 each qualifying child if:
- 54 (a) the claimant or another claimant filing a joint individual income tax return with the
- 55 claimant is an at-home parent; and
- 56 (b) the adjusted gross income of all of the claimants filing the individual income tax
- 57 return is less than or equal to \$50,000.
- 58 (3) A claimant may not carry forward or carry back a tax credit authorized by this

59 section.

60 (4) It is the intent of the Legislature that for fiscal years beginning on or after fiscal  
61 year 2000-01, the Legislature appropriate from the General Fund a sufficient amount to replace  
62 Education Fund revenues expended to provide for the tax credit under this section.

63 Section 2. **Retrospective operation.**

64 This bill has retrospective operation for a taxable year beginning on or after January 1,  
65 2009.

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**Legislative Review Note**  
**as of 12-4-08 11:19 AM**

**Office of Legislative Research and General Counsel**

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**H.B. 79 - Income Tax Credit for At-home Parent**

**Fiscal Note**

2009 General Session  
State of Utah

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**State Impact**

Enactment of this bill could reduce the Education fund by \$400,000 annually.

|                | <u>2009</u><br><u>Approp.</u> | <u>2010</u><br><u>Approp.</u> | <u>2011</u><br><u>Approp.</u> | <u>2009</u><br><u>Revenue</u> | <u>2010</u><br><u>Revenue</u> | <u>2011</u><br><u>Revenue</u> |
|----------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Education Fund | \$0                           | \$0                           | \$0                           | \$0                           | (\$400,000)                   | (\$400,000)                   |
| <b>Total</b>   | <b>\$0</b>                    | <b>\$0</b>                    | <b>\$0</b>                    | <b>\$0</b>                    | <b>(\$400,000)</b>            | <b>(\$400,000)</b>            |

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**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. Eligible individuals would receive an additional \$100 income tax credit.