

1 **TAX CREDIT FOR DEPENDENT WITH A DISABILITY**

2 2012 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: John Dougall**

5 Senate Sponsor: John L. Valentine

7 **LONG TITLE**

8 **General Description:**

9 This bill amends the Nonrefundable Tax Credit Act to allow a tax credit for a
10 dependent adult with a disability or dependent child with a disability as part of the
11 taxpayer tax credit.

12 **Highlighted Provisions:**

13 This bill:

- 14 ▶ defines terms;
- 15 ▶ allows a tax credit for a dependent adult with a disability or dependent child with a
16 disability as part of the taxpayer tax credit; and
- 17 ▶ makes technical and conforming changes.

18 **Money Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 This bill has retrospective operation for a taxable year beginning on or after January 1,
22 2012.

23 **Utah Code Sections Affected:**

24 AMENDS:

25 **59-10-1018**, as renumbered and amended by Laws of Utah 2008, Chapter 389

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



28 Section 1. Section **59-10-1018** is amended to read:

29 **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

30 (1) As used in this section:

31 (a) "Dependent adult with a disability" means an individual who:

32 (i) a claimant claims as a dependent under Section 151, Internal Revenue Code, on the
33 claimant's federal individual income tax return for the taxable year;

34 (ii) is not the claimant or the claimant's spouse; and

35 (iii) is:

36 (A) 18 years of age or older;

37 (B) eligible for services under Title 62A, Chapter 5, Services for People with
38 Disabilities; and

39 (C) not enrolled in an education program for students with disabilities that is
40 authorized under Section 53A-15-301.

41 (b) "Dependent child with a disability" means an individual 21 years of age or younger
42 who:

43 (i) a claimant claims as a dependent under Section 151, Internal Revenue Code, on the
44 claimant's federal individual income tax return for the taxable year;

45 (ii) is not the claimant or the claimant's spouse; and

46 (iii) is:

47 (A) an eligible student with a disability; or

48 (B) identified under guidelines of the Department of Health as qualified for Early
49 Intervention or Infant Development Services.

50 (c) "Eligible student with a disability" means an individual who is:

51 (i) diagnosed by a school district representative under rules the State Board of
52 Education adopts in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
53 Act as having a disability classified as autism, deafness, preschool developmental delay, dual
54 sensory impairment, hearing impairment, intellectual disability, multidisability, orthopedic
55 impairment, other health impairment, traumatic brain injury, or visual impairment;

56 (ii) not receiving residential services from the Division of Services for People with
57 Disabilities created under Section 62A-5-102 or a school established under Title 53A, Chapter
58 25b, Utah Schools for the Deaf and the Blind; and

59 (iii) (A) enrolled in an education program for students with disabilities that is
60 authorized under Section 53A-15-301; or

61 (B) a recipient of a scholarship awarded under Title 53A, Chapter 1a, Part 7, Carson
62 Smith Scholarships for Students with Special Needs Act.

63 [~~(a)~~] (d) "Head of household filing status" means a head of household, as defined in
64 Section 2(b), Internal Revenue Code, who files a single federal individual income tax return for
65 the taxable year.

66 [~~(b)~~] (e) "Joint filing status" means:

67 (i) a husband and wife who file a single return jointly under this chapter for a taxable
68 year; or

69 (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a
70 single federal individual income tax return for the taxable year.

71 [~~(c)~~] (f) "Single filing status" means:

72 (i) a single individual who files a single federal individual income tax return for the
73 taxable year; or

74 (ii) a married individual who:

75 (A) does not file a single federal individual income tax return jointly with that married
76 individual's spouse for the taxable year; and

77 (B) files a single federal individual income tax return for the taxable year.

78 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through
79 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part
80 equal to the sum of:

81 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal
82 individual income tax return for the taxable year, 6% of the amount the claimant deducts as
83 allowed as the standard deduction on the claimant's federal individual income tax return for
84 that taxable year; or

85 (ii) for a claimant that itemizes deductions on the claimant's federal individual income
86 tax return for the taxable year, the product of:

87 (A) the difference between:

88 (I) the amount the claimant deducts as allowed as an itemized deduction on the
89 claimant's federal individual income tax return for that taxable year; and

90 (II) any amount of state or local income taxes the claimant deducts as allowed as an
91 itemized deduction on the claimant's federal individual income tax return for that taxable year;
92 and

93 (B) 6%; and

94 (b) the product of:

95 (i) 75% of the total amount the claimant deducts as allowed as a personal exemption
96 deduction on the claimant's federal individual income tax return for that taxable year, plus an
97 additional 75% of the amount the claimant deducts as allowed as a personal exemption
98 deduction on the claimant's federal individual income tax return for that taxable year with
99 respect to each dependent adult with a disability or dependent child with a disability; and

100 (ii) 6%.

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

102 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar
103 by which a claimant's state taxable income exceeds:

104 (a) for a claimant who has a single filing status, \$12,000;

105 (b) for a claimant who has a head of household filing status, \$18,000; or

106 (c) for a claimant who has a joint filing status, \$24,000.

107 (5) (a) For taxable years beginning on or after January 1, 2009, the commission shall
108 increase or decrease the following dollar amounts by a percentage equal to the percentage
109 difference between the consumer price index for the preceding calendar year and the consumer
110 price index for calendar year 2007:

111 (i) the dollar amount listed in Subsection (4)(a); and

112 (ii) the dollar amount listed in Subsection (4)(b).

113 (b) After the commission increases or decreases the dollar amounts listed in Subsection
114 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the
115 nearest whole dollar.

116 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b),
117 the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that
118 the dollar amount listed in Subsection (4)(c) is equal to the product of:

119 (i) the dollar amount listed in Subsection (4)(a); and

120 (ii) two.

121 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer
122 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

123 Section 2. **Retrospective operation.**

124 This bill has retrospective operation for a taxable year beginning on or after January 1,
125 2012.

Legislative Review Note
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Office of Legislative Research and General Counsel