

HB0190S04 compared with HB0190S03

~~{deleted text}~~ shows text that was in HB0190S03 but was deleted in HB0190S04.

inserted text shows text that was not in HB0190S03 but was inserted into HB0190S04.

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~~{Representative Brad R. Wilson}~~Senator Curtis S. Bramble proposes the following substitute bill:

TAXATION OF FOREIGN INCOME AMENDMENTS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad R. Wilson

Senate Sponsor: ~~{~~Curtis S. Bramble

LONG TITLE

General Description:

This bill addresses adjustments to adjusted gross income.

Highlighted Provisions:

This bill:

- ▶ addresses adjustments to adjusted gross income for certain manufacturing entities that pay an income tax to a foreign country.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

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AMENDS:

59-10-115, as last amended by Laws of Utah 2008, Chapters 382 and 389

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

Section 1. Section **59-10-115** is amended to read:

59-10-115. Adjustments to adjusted gross income.

(1) As used in this section:

(a) "Net foreign source taxable income" means:

(i) the amount calculated on line 17 of Internal Revenue Code Form 1116, Foreign Tax Credit; or

(ii) if, for purposes of federal individual income taxes, the amount calculated on line 17 of Form 1116 is reported on a line other than line 17 of Form 1116, the amount on a line of a federal individual income tax form designated by the commission as being substantially similar to line 17 of the 2015 version of Form 1116.

(b) "Pass-through entity taxpayer" means the same as that term is defined in Section 59-10-1402.

~~[(+)]~~ (2) The commission shall allow an adjustment to adjusted gross income of a resident or nonresident individual if the resident or nonresident individual would otherwise:

(a) receive a double tax benefit under this part; or

(b) suffer a double tax detriment under this part.

(3) (a) For a pass-through entity taxpayer generating taxable income primarily from establishments classified in Code Section 33242, Metal Tank (Heavy Gauge) Manufacturing, of the 2002 or 2007 North American Industry Classification System of the federal Executive Office of the President, Office of Management and Budget, an adjustment described in Subsection (2) includes net foreign source taxable income generated from Metal Tank (Heavy Gauge) Manufacturing establishments.

(b) The adjustment described in Subsection ~~(+)(3)~~(a) ~~For~~ applies to a taxable year beginning on or after January 1, 2017, and ending on or before December 31, 2018, a pass-through entity taxpayer may make an adjustment to adjusted gross income equal to 25% of net foreign source taxable income.

~~(ii) For a taxable year beginning on or after January 1, 2019, a pass-through entity~~

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~~taxpayer may make an adjustment to adjusted gross income equal to 100% of net foreign source taxable income}.~~

~~(2)~~ (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules ~~[to allow]~~:

(a) making the designation described in Subsection (1)(a)(ii), if necessary; and

(b) allowing for the adjustment to adjusted gross income required by Subsection ~~[(1)]~~

(2).