

SOCIAL SECURITY TAX CREDIT

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John R. Westwood

Senate Sponsor: _____

LONG TITLE

General Description:

This bill provides for an individual income tax credit for certain social security benefits.

Highlighted Provisions:

This bill:

- ▶ defines social security benefit;
- ▶ provides that a claimant may claim a tax credit for social security benefits that are included in the claimant's federal adjusted gross income; and
- ▶ provides for rulemaking authority.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-10-1002.2, as last amended by Laws of Utah 2016, Chapter 263

ENACTS:

59-10-1038, Utah Code Annotated 1953

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

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



28 **59-10-1002.2. Apportionment of tax credits.**

29 (1) A nonresident individual or a part-year resident individual that claims a tax credit
30 in accordance with Section [59-10-1017](#), [59-10-1018](#), [59-10-1019](#), [59-10-1022](#), [59-10-1023](#),
31 [59-10-1024](#), [~~or~~] [59-10-1028](#), or [59-10-1038](#) may only claim an apportioned amount of the tax
32 credit equal to:

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

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

35 (ii) the amount of the tax credit that the nonresident individual would have been

36 allowed to claim but for the apportionment requirements of this section; or

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

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

39 (ii) the amount of the tax credit that the part-year resident individual would have been

40 allowed to claim but for the apportionment requirements of this section.

41 (2) A nonresident estate or trust that claims a tax credit in accordance with Section

42 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#), [59-10-1024](#), or [59-10-1028](#) may only claim an

43 apportioned amount of the tax credit equal to the product of:

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

45 (b) the amount of the tax credit that the nonresident estate or trust would have been

46 allowed to claim but for the apportionment requirements of this section.

47 Section 2. Section **59-10-1038** is enacted to read:

48 **59-10-1038. Nonrefundable tax credit for social security benefits.**

49 (1) As used in this section, "social security benefit" means the same as that term is
50 defined in Section 86, Internal Revenue Code.

51 (2) Except as provided in Section [59-10-1002.2](#), a claimant may claim a nonrefundable
52 tax credit against taxes otherwise due under this part equal to the product of:

53 (a) 5%; and

54 (b) the claimant's social security benefit to the extent that the social security benefit is

55 included in the claimant's adjusted gross income on the claimant's federal individual income

56 tax return for the taxable year that the claimant is claiming a credit under this section.

57 (3) A claimant:

58 (a) may not carry forward or carry back a tax credit under this section; and

59 (b) may claim a tax credit under this section for a taxable year beginning on or after
60 January 1, 2018.

61 (4) The tax credit provided by this section shall be calculated and claimed in
62 accordance with rules prescribed by the commission.

Legislative Review Note
Office of Legislative Research and General Counsel