

1 **TAX REFORM AMENDMENTS**

2 2018 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Steve Eliason**

5 Senate Sponsor: Howard A. Stephenson

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7 **LONG TITLE**

8 **General Description:**

9 This bill amends provisions related to federal tax reform. **H→ [:] ←H**

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ prohibits an individual from receiving the homeowner's or renter's credit if the  
13 individual is a dependent with respect to whom another individual claims certain tax  
14 credits;
- 15 ▶ provides that a corporation may pay taxes on deferred foreign income in  
16 installments under certain circumstances;
- 17 ▶ addresses when an individual is considered to have domicile in this state for  
18 purposes of income tax; and
- 19 ▶ makes technical and conforming changes.

20 **Money Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 **H→ [None] This bill provides retrospective operation. ←H**

24 **Utah Code Sections Affected:**

25 AMENDS:

26 **59-2-1208**, as last amended by Laws of Utah 2016, Chapter 375

27 **59-2-1209**, as last amended by Laws of Utah 2016, Chapter 375



58 income tax return during any portion of a calendar year for which the individual seeks to claim  
 59 the homeowner's credit under this section; or

60 (b) the individual is a dependent with respect to whom another individual claims a tax  
 61 credit under ~~§~~→ [Subsection] Section ←~~§~~ 24(h)(4), Internal Revenue Code, during any portion  
 61a of a calendar year  
 62 for which the individual seeks to claim the homeowner's credit under this section.

63 (3) A payment for a homeowner's credit allowed by this section, and provided for in  
 64 Section 59-2-1204, shall be paid from the General Fund.

65 Section 2. Section **59-2-1209** is amended to read:

66 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's**  
 67 **credit may be claimed only for rent that does not constitute a rental assistance payment --**  
 68 **Limitation -- General Fund as source of credit -- Maximum credit.**

69 (1) (a) Subject to Subsections (2) and (3), for a calendar year beginning on or after  
 70 January 1, 2007, a claimant may claim a renter's credit for the previous calendar year that does  
 71 not exceed the following amounts:

If household income is	Percentage of rent allowed as a credit
\$0 -- \$9,159	9.5%
\$9,160 -- \$12,214	8.5%
\$12,215 -- \$15,266	7.0%
\$15,267 -- \$18,319	5.5%
\$18,320 -- \$21,374	4.0%
\$21,375 -- \$24,246	3.0%
\$24,247 -- \$26,941	2.5%

80 (b) (i) For a calendar year beginning on or after January 1, 2008, the commission shall  
 81 increase or decrease the household income eligibility amounts under Subsection (1)(a) by a  
 82 percentage equal to the percentage difference between the consumer price index for the  
 83 preceding calendar year and the consumer price index for calendar year 2006.

84 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer  
 85 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

86 (2) A claimant may claim a renter's credit under this part only for rent that does not  
 87 constitute a rental assistance payment.

88 ~~[(3) An individual who is claimed as a personal exemption on another individual's~~  
 89 ~~individual income tax return during any portion of a calendar year for which the individual~~  
 90 ~~seeks to claim a renter's credit under this section may not receive a renter's credit.]~~

91 (3) An individual may not receive the renter's credit under this section if the individual  
 92 is:

93 (a) claimed as a personal exemption on another individual's federal income tax return  
 94 during any portion of a calendar year for which the individual seeks to claim the renter's credit  
 95 under this section; or

96 (b) a dependent with respect to whom another individual claims a tax credit under  
 97 ~~H~~→ [Subsection] Section ~~←H~~ 24(h)(4), Internal Revenue Code, during any portion of a calendar  
 97a year for which  
 98 the individual seeks to claim the renter's credit under this section.

99 (4) A payment for a renter's credit allowed by this section, and provided for in Section  
 100 59-2-1204, shall be paid from the General Fund.

101 (5) For calendar years beginning on or after January 1, 2007, a credit under this section  
 102 may not exceed the maximum amount allowed as a homeowner's credit for each income  
 103 bracket under Subsection 59-2-1208(1)(a).

104 Section 3. Section **59-7-118** is enacted to read:

105 **59-7-118. Section 965, Internal Revenue Code -- Installment payments.**

106 (1) Subject to the other provisions of this section, a corporation may pay in  
 107 installments the tax owed under this chapter on deferred foreign income described in Section  
 108 965, Internal Revenue Code.

109 (2) Subsection (1) applies:

110 (a) to a corporation that:

111 (i) is authorized to make an election under ~~H~~→ [Subsection] Section ~~←H~~ 965(h),  
 111a Internal Revenue Code; ~~H~~→ and ~~←H~~

112 (ii) apportions deferred foreign income described in Section 965, Internal Revenue  
 113 Code, to this state; and

114 (b) for a tax year in which a corporation makes an election under ~~H~~→ [Subsection]  
 114a Section ~~←H~~ 965(h),

115 Internal Revenue Code, for purposes of the corporation's federal income tax ~~H~~→ [;] . ~~←H~~

116 (3) The same provisions that apply to an election made under ~~H~~→ [Subsection] Section ~~←H~~  
 116a 965(h),

117 Internal Revenue Code, for federal purposes apply to an installment payment made under this  
 118 section.

243 (5) (a) If an individual is considered to have domicile in this state in accordance with  
244 this section, the individual's spouse is considered to have domicile in this state.

245 (b) For purposes of this section, an individual is not considered to have a spouse if:

246 (i) the individual is legally separated or divorced from the spouse; or

247 (ii) the individual and the individual's spouse claim married filing separately filing  
248 status for purposes of filing a federal individual income tax return for the taxable year.

249 (c) Except as provided in Subsection (5)(b)(ii), for purposes of this section, an  
250 individual's filing status on a federal individual income tax return or a return filed under this  
251 chapter may not be considered in determining whether an individual has a spouse.

252 (6) For purposes of this section, whether or not an individual or the individual's spouse  
253 claims a property tax residential exemption under Chapter 2, Property Tax Act, for the  
254 residential property that is the primary residence of a tenant of the individual or the individual's  
255 spouse may not be considered in determining domicile in this state.

255a **H→ Section 5. Retrospective operation.**

255b **(1) Except as provided in Subsection (2), this bill has retrospective operation beginning**  
255c **on January 1, 2018.**

255d **(2) The amendments to Sections 59-7-118 and 59-10-136 have retrospective operation**  
255e **for a taxable year beginning on or after January 1, 2018. ←H**

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**