

SB0071S01 compared with SB0071

~~{Omitted text}~~ shows text that was in SB0071 but was omitted in SB0071S01

inserted text shows text that was not in SB0071 but was inserted into SB0071S01

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Social Security Tax Revisions
2025 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Wayne A. Harper
House Sponsor:Walt Brooks

LONG TITLE
General Description:
This bill modifies the individual income tax credit for social security benefits.
Highlighted Provisions:
This bill:
▸ {removes the income limitations on} <u>expands</u> eligibility for the social security benefits tax credit <u>by increasing the thresholds for the income-based phaseout</u> ; and
▸ makes technical changes.
Money Appropriated in this Bill:
None
Other Special Clauses:
This bill provides retrospective operation.
AMENDS:
59-10-1042 , as last amended by Laws of Utah 2023, Chapter 459 , as last amended by Laws of Utah 2023, Chapter 459

SB0071 compared with SB0071S01

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

Section 1. Section **59-10-1042** is amended to read:

59-10-1042. Nonrefundable tax credit for social security benefits. ~~<compare mode="add">(Compare Error)</compare>~~

(1) As used in this section~~[;]~~, "social security benefit" means an amount received by a claimant as a monthly benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.

~~[(a)"Head of household filing status" means the same as that term is defined in Section 59-10-1018.]~~

~~[(b)"Joint filing status" means the same as that term is defined in Section 59-10-1018.]~~

~~[(c)"Married filing separately status" means a married individual who:]~~

~~[(i)does not file a single federal individual income tax return jointly with that married individual's spouse for the taxable year; and]~~

~~[(ii)files a single federal individual income tax return for the taxable year.]~~

~~[(d)"Modified adjusted gross income" means the sum of the following for a claimant or, if the claimant's return under this chapter is allowed a joint filing status, the claimant and the claimant's spouse:]~~

~~[(i)adjusted gross income for the taxable year for which a tax credit is claimed under this section;]~~

~~[(ii)any interest income that is not included in adjusted gross income for the taxable year described in Subsection (1)(d)(i); and]~~

~~[(iii)any addition to adjusted gross income required by Section 59-10-114 for the taxable year described in Subsection (1)(d)(i).]~~

~~[(e)"Single filing status" means a single individual who files a single federal individual income tax return for the taxable year.]~~

~~[(f)"Social security benefit" means an amount received by a claimant as a monthly benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.]~~

(2) Except as provided in Section 59-10-1002.2 and ~~[Subsections (3) and (4), each claimant on a return]~~ Subsection (3), a claimant that receives a social security benefit may claim a nonrefundable tax credit against taxes otherwise due under this part equal to the product of:

(a) the percentage listed in Subsection 59-10-104(2); and

(b) the claimant's social security benefit that is included in ~~[adjusted gross income on the claimant's federal income tax return]~~ the claimant's state taxable income for the taxable year.

(3) A claimant may not:

SB0071 compared with SB0071S01

- 53 (a) carry forward or carry back the amount of a tax credit under this section that exceeds the claimant's
tax liability for the taxable year; or
- 55 (b) claim a tax credit under this section for a taxable year if a tax credit under Section 59-10-1019 is
claimed on the claimant's return for the same taxable year.
- 57 [~~(4)The tax credit allowed by Subsection (2) claimed on a return filed under this part shall be reduced
by \$.025 for each dollar by which modified adjusted gross income for purposes of the return
exceeds:]~~
- 60 [~~(a)single filing status,]~~
- 62 [~~(b) head of household filing status,]~~
- 64 [~~(c) federal individual income tax return that is allowed a head of household filing status, \$75,000; or]~~
- 66 [~~(d) for a return under this chapter that is allowed a joint filing status, \$75,000.]~~
- 67 [~~(5)~~] (4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
commission may make rules governing the calculation and method for claiming the tax credit
described in this section.
- 68 Section 2. **Effective date.**
This bill takes effect on May 7, 2025.
- 70 Section 3. **Retrospective Operation.**
This bill has retrospective operation for a taxable year beginning on or after .

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