

Daniel McCay proposes the following substitute bill:

State Income Tax Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill modifies provisions of the income tax code.

Highlighted Provisions:

This bill:

- ▶ repeals obsolete language;
- ▶ provides the scope of the State Tax Commission's authority to share income tax return information with the Department of Workforce Services to determine eligibility for public assistance;
- ▶ requires a payment settlement entity, such as a marketplace facilitator, to file certain federal forms with the State Tax Commission;
- ▶ clarifies what is a commercial unit for purposes of claiming a commercial energy system tax credit;
- ▶ updates the circumstances under which an individual is exempt from individual income tax;
- ▶ creates a deduction for individuals who have to repay social security that is subject to income tax;
- ▶ provides for the repeal of the enterprise zone tax credit, which, by statute, automatically expired;
- ▶ extends the carry forward period for a tax credit available to a pass-through entity taxpayer who receives income from a pass-through entity that paid the income tax on the income;
- ▶ provides the circumstances for the automatic removal of refundable individual income tax credits from the income tax return; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

29 None

30 **Other Special Clauses:**

31 This bill provides a special effective date.

32 This bill provides retrospective operation.

33 **Utah Code Sections Affected:**

34 AMENDS:

35 **31A-32a-103 (Effective 05/07/25)**, as last amended by Laws of Utah 2008, Chapter 389

36 **35A-3-105 (Effective 05/07/25)**, as last amended by Laws of Utah 2015, Chapter 221

37 **59-1-403 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapters 25, 35

38 **59-7-614 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by Laws of
39 Utah 2024, Chapter 53

40 **59-7-614.10 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by
41 Laws of Utah 2021, Chapter 282

42 **59-10-104.1 (Effective 01/01/26)**, as last amended by Laws of Utah 2008, Chapter 389

43 **59-10-114 (Effective 01/01/26)**, as last amended by Laws of Utah 2023, Chapter 470

44 **59-10-510 (Effective 01/01/26)**, as last amended by Laws of Utah 2009, Chapter 212

45 **59-10-1037 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by Laws
46 of Utah 2021, Chapter 282

47 **59-10-1042 (Effective 01/01/26)**, as last amended by Laws of Utah 2023, Chapter 459

48 **59-10-1045 (Effective 01/01/26) (Applies beginning 01/01/25)**, as last amended by Laws
49 of Utah 2023, Chapter 470

50 **63I-2-259 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Third Special
51 Session, Chapter 5

52 **63I-2-263 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Third Special
53 Session, Chapter 5

54 ENACTS:

55 **59-1-1801 (Effective 01/01/26)**, Utah Code Annotated 1953

56 **59-1-1802 (Effective 01/01/26)**, Utah Code Annotated 1953

57 **59-10-1102.2 (Effective 05/07/25) (Applies beginning 01/01/25)**, Utah Code
58 Annotated 1953

59

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

61 Section 1. Section **31A-32a-103** is amended to read:

62 **31A-32a-103 (Effective 05/07/25). Establishing medical care savings accounts.**

- 63 (1) ~~[For a taxable year beginning on or after January 1, 1995:]~~
- 64 (a) ~~[an]~~ An employer, except as otherwise provided by contract or a collective bargaining
- 65 agreement, may offer a medical care savings account program to the employer's
- 66 employees~~[-or]~~ .
- 67 (b) ~~[a]~~ A resident individual may establish a medical care savings account program for
- 68 the individual or for the individual's dependents.
- 69 (2)(a) A contribution into an account made by an employer on behalf of an employee, or
- 70 made by an individual account holder, may not exceed the greater of:
- 71 (i) \$2,000 in any taxable year; or
- 72 (ii) an amount of money equal to the sum of all eligible medical expenses paid by the
- 73 employee or account holder for that taxable year on behalf of the employee,
- 74 account holder, or the employee's or account holder's spouse or dependents.
- 75 (b) For purposes of Subsection (2)(a)(ii), eligible medical expenses are limited to
- 76 expenses in the taxable year that an insurance carrier has applied to the employee's or
- 77 account holder's deductible.
- 78 (3) An employer that offers a medical care savings account program shall, before making
- 79 any contributions:
- 80 (a) inform all employees in writing of the fact that these contributions may not be
- 81 deductible under the federal tax laws; and
- 82 (b) obtain from the employee a written election to participate in the medical care savings
- 83 account program.
- 84 ~~[(4) Except as provided in Sections 31A-32a-105 and 59-10-114, principal contributed to~~
- 85 ~~and interest earned on a medical care savings account and money reimbursed to an~~
- 86 ~~employee or account holder for eligible medical expenses are exempt from taxation.]~~
- 87 ~~[(5)]~~ (4)(a) An employer may select a single account administrator for all of the
- 88 employer's employee's medical care savings accounts.
- 89 (b) If a single account administrator is not selected, an employer may contribute directly
- 90 to the account holder's individual medical care savings account.
- 91 Section 2. Section **35A-3-105** is amended to read:
- 92 **35A-3-105 (Effective 05/07/25). Determination of eligibility and responsibility --**
- 93 **Information from State Tax Commission.**
- 94 (1) ~~[The]~~ Except as prohibited by federal law, the department may have access to relevant
- 95 information contained in the income tax returns of an applicant, a recipient, or a person
- 96 who has a duty to support an applicant or recipient, in determining:

- 97 (a) eligibility for public assistance;
98 (b) payment responsibilities for institutional care; or
99 (c) any other administrative purpose consistent with this chapter.

100 (2) The information requested by the department shall be:

- 101 (a) provided by the State Tax Commission, to the extent authorized by federal law, on
102 forms [furnished] provided by the department; and
103 (b) treated by the department as a private record under Title 63G, Chapter 2,
104 Government Records Access and Management Act.

105 Section 3. Section **59-1-403** is amended to read:

106 **59-1-403 (Effective 05/07/25). Confidentiality -- Exceptions -- Penalty --**

107 **Application to property tax.**

108 (1) As used in this section:

109 (a) "Distributed tax, fee, or charge" means a tax, fee, or charge:

110 (i) the commission administers under:

111 (A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax
112 Act;

113 (B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

114 (C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

115 (D) Section 19-6-805;

116 (E) Section 63H-1-205; or

117 (F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
118 Charges; and

119 (ii) with respect to which the commission distributes the revenue collected from the
120 tax, fee, or charge to a qualifying jurisdiction.

121 (b) "Qualifying jurisdiction" means:

122 (i) a county, city, or town;

123 (ii) the military installation development authority created in Section 63H-1-201; or

124 (iii) the Utah Inland Port Authority created in Section 11-58-201.

125 (2)(a) Any of the following may not divulge or make known in any manner any
126 information gained by that person from any return filed with the commission:

127 (i) a tax commissioner;

128 (ii) an agent, clerk, or other officer or employee of the commission; or

129 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or
130 town.

- 131 (b) An official charged with the custody of a return filed with the commission is not
132 required to produce the return or evidence of anything contained in the return in any
133 action or proceeding in any court, except:
- 134 (i) in accordance with judicial order;
- 135 (ii) on behalf of the commission in any action or proceeding under:
- 136 (A) this title; or
- 137 (B) other law under which persons are required to file returns with the
138 commission;
- 139 (iii) on behalf of the commission in any action or proceeding to which the
140 commission is a party; or
- 141 (iv) on behalf of any party to any action or proceeding under this title if the report or
142 facts shown by the return are directly involved in the action or proceeding.
- 143 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may
144 admit in evidence, any portion of a return or of the facts shown by the return, as are
145 specifically pertinent to the action or proceeding.
- 146 (3) This section does not prohibit:
- 147 (a) a person or that person's duly authorized representative from receiving a copy of any
148 return or report filed in connection with that person's own tax;
- 149 (b) the publication of statistics as long as the statistics are classified to prevent the
150 identification of particular reports or returns; and
- 151 (c) the inspection by the attorney general or other legal representative of the state of the
152 report or return of any taxpayer:
- 153 (i) who brings action to set aside or review a tax based on the report or return;
- 154 (ii) against whom an action or proceeding is contemplated or has been instituted
155 under this title; or
- 156 (iii) against whom the state has an unsatisfied money judgment.
- 157 (4)(a) Notwithstanding Subsection (2) and for purposes of administration, the
158 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah
159 Administrative Rulemaking Act, provide for a reciprocal exchange of information
160 with:
- 161 (i) the United States Internal Revenue Service; or
- 162 (ii) the revenue service of any other state.
- 163 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and
164 corporate franchise tax, the commission may by rule, made in accordance with Title

165 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered
166 from returns and other written statements with the federal government, any other
167 state, any of the political subdivisions of another state, or any political subdivision of
168 this state, except as limited by Sections 59-12-209 and 59-12-210, if the political
169 subdivision, other state, or the federal government grant substantially similar
170 privileges to this state.

171 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and
172 corporate franchise tax, the commission may by rule, in accordance with Title 63G,
173 Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of
174 information concerning the identity and other information of taxpayers who have
175 failed to file tax returns or to pay any tax due.

176 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the
177 Division of Environmental Response and Remediation, as defined in Section
178 19-6-402, as requested by the director of the Division of Environmental Response
179 and Remediation, any records, returns, or other information filed with the
180 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section
181 19-6-410.5 regarding the environmental assurance program participation fee.

182 (e) Notwithstanding Subsection (2), at the request of any person the commission shall
183 provide that person sales and purchase volume data reported to the commission on a
184 report, return, or other information filed with the commission under:

185 (i) Chapter 13, Part 2, Motor Fuel; or

186 (ii) Chapter 13, Part 4, Aviation Fuel.

187 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,
188 as defined in Section 59-22-202, the commission shall report to the manufacturer:

189 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
190 manufacturer and reported to the commission for the previous calendar year under
191 Section 59-14-407; and

192 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
193 manufacturer for which a tax refund was granted during the previous calendar
194 year under Section 59-14-401 and reported to the commission under Subsection
195 59-14-401(1)(a)(v).

196 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,
197 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is
198 prohibited from selling cigarettes to consumers within the state under Subsection

- 199 59-14-210(2).
- 200 (h) Notwithstanding Subsection (2), the commission may:
- 201 (i) provide to the Division of Consumer Protection within the Department of
- 202 Commerce and the attorney general data:
- 203 (A) reported to the commission under Section 59-14-212; or
- 204 (B) related to a violation under Section 59-14-211; and
- 205 (ii) upon request, provide to any person data reported to the commission under
- 206 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 207 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee
- 208 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's
- 209 Office of Planning and Budget, provide to the committee or office the total amount of [
- 210 revenues] revenue collected by the commission under Chapter 24, Radioactive Waste
- 211 Facility Tax Act, for the time period specified by the committee or office.
- 212 (j) Notwithstanding Subsection (2), the commission shall make the directory required by
- 213 Section 59-14-603 available for public inspection.
- 214 (k) Notwithstanding Subsection (2), the commission may share information with federal,
- 215 state, or local agencies as provided in Subsection 59-14-606(3).
- 216 (l)(i) Notwithstanding Subsection (2), the commission shall provide the Office of
- 217 Recovery Services within the Department of Health and Human Services any
- 218 relevant information obtained from a return filed under Chapter 10, Individual
- 219 Income Tax Act, regarding a taxpayer who has become obligated to the Office of
- 220 Recovery Services.
- 221 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office
- 222 of Recovery Services to any other state's child support collection agency involved
- 223 in enforcing that support obligation.
- 224 (m)(i) Notwithstanding Subsection (2), upon request from the state court
- 225 administrator, the commission shall provide to the state court administrator, the
- 226 name, address, telephone number, county of residence, and social security number
- 227 on resident returns filed under Chapter 10, Individual Income Tax Act.
- 228 (ii) The state court administrator may use the information described in Subsection
- 229 (4)(m)(i) only as a source list for the master jury list described in Section
- 230 78B-1-106.
- 231 (n)(i) As used in this Subsection (4)(n):
- 232 (A) "GOEO" means the Governor's Office of Economic Opportunity created in

- 233 Section 63N-1a-301.
- 234 (B) "Income tax information" means information gained by the commission that is
235 required to be attached to or included in a return filed with the commission
236 under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10,
237 Individual Income Tax Act.
- 238 (C) "Other tax information" means information gained by the commission that is
239 required to be attached to or included in a return filed with the commission
240 except for a return filed under Chapter 7, Corporate Franchise and Income
241 Taxes, or Chapter 10, Individual Income Tax Act.
- 242 (D) "Tax information" means income tax information or other tax information.
- 243 (ii)(A) Notwithstanding Subsection (2) and except as provided in Subsection
244 (4)(n)(ii)(B) or (C), the commission shall at the request of GOEO provide to
245 GOEO all income tax information.
- 246 (B) For purposes of a request for income tax information made under Subsection
247 (4)(n)(ii)(A), GOEO may not request and the commission may not provide
248 to GOEO a person's address, name, social security number, or taxpayer
249 identification number.
- 250 (C) In providing income tax information to GOEO, the commission shall in all
251 instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).
- 252 (iii)(A) Notwithstanding Subsection (2) and except as provided in Subsection
253 (4)(n)(iii)(B), the commission shall at the request of GOEO provide to GOEO
254 other tax information.
- 255 (B) Before providing other tax information to GOEO, the commission shall redact
256 or remove any name, address, social security number, or taxpayer identification
257 number.
- 258 (iv) GOEO may provide tax information received from the commission in accordance
259 with this Subsection (4)(n) only:
- 260 (A) as a fiscal estimate, fiscal note information, or statistical information; and
261 (B) if the tax information is classified to prevent the identification of a particular
262 return.
- 263 (v)(A) A person may not request tax information from GOEO under Title 63G,
264 Chapter 2, Government Records Access and Management Act, or this section,
265 if GOEO received the tax information from the commission in accordance with
266 this Subsection (4)(n).

- 267 (B) GOEO may not provide to a person that requests tax information in
268 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax
269 information GOEO provides in accordance with Subsection (4)(n)(iv).
- 270 (o) Notwithstanding Subsection (2), the commission may provide to the governing board
271 of the agreement or a taxing official of another state, the District of Columbia, the
272 United States, or a territory of the United States:
- 273 (i) the following relating to an agreement sales and use tax:
- 274 (A) information contained in a return filed with the commission;
- 275 (B) information contained in a report filed with the commission;
- 276 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or
- 277 (D) a document filed with the commission; or
- 278 (ii) a report of an audit or investigation made with respect to an agreement sales and
279 use tax.
- 280 (p) Notwithstanding Subsection (2), the commission may provide information
281 concerning a taxpayer's state income tax return or state income tax withholding
282 information to the Driver License Division if the Driver License Division:
- 283 (i) requests the information; and
- 284 (ii) provides the commission with a signed release form from the taxpayer allowing
285 the Driver License Division access to the information.
- 286 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah
287 Communications Authority, or a division of the Utah Communications Authority, the
288 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and
289 63H-7a-502.
- 290 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah
291 Educational Savings Plan information related to a resident or nonresident individual's
292 contribution to a Utah Educational Savings Plan account as designated on the
293 resident or nonresident's individual income tax return as provided under Section
294 59-10-1313.
- 295 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under
296 Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility
297 worker with the Department of Health and Human Services or its designee with the
298 adjusted gross income of an individual if:
- 299 (i) an eligibility worker with the Department of Health and Human Services or its
300 designee requests the information from the commission; and

- 301 (ii) the eligibility worker has complied with the identity verification and consent
302 provisions of Sections 26B-3-106 and 26B-3-903.
- 303 (t) Notwithstanding Subsection (2), the commission may provide to a county, as
304 determined by the commission, information declared on an individual income tax
305 return in accordance with Section 59-10-103.1 that relates to eligibility to claim a
306 residential exemption authorized under Section 59-2-103.
- 307 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any
308 access line provider that is over 90 days delinquent in payment to the commission of
309 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid
310 Wireless Telecommunications Service Charges, to the board of the Utah
311 Communications Authority created in Section 63H-7a-201.
- 312 (v) Notwithstanding Subsection (2), the commission shall provide the Department of
313 Environmental Quality a report on the amount of tax paid by a radioactive waste
314 facility for the previous calendar year under Section 59-24-103.5.
- 315 (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the
316 Department of Workforce Services any information received under Chapter 10, Part
317 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce
318 Services.
- 319 (x) Notwithstanding Subsection (2), the commission may provide the Public Service
320 Commission or the Division of Public Utilities information related to a seller that
321 collects and remits to the commission a charge described in Subsection 69-2-405(2),
322 including the seller's identity and the number of charges described in Subsection
323 69-2-405(2) that the seller collects.
- 324 (y)(i) Notwithstanding Subsection (2), the commission shall provide to each
325 qualifying jurisdiction the collection data necessary to verify the revenue collected
326 by the commission for a distributed tax, fee, or charge collected within the
327 qualifying jurisdiction.
- 328 (ii) In addition to the information provided under Subsection (4)(y)(i), the
329 commission shall provide a qualifying jurisdiction with copies of returns and other
330 information relating to a distributed tax, fee, or charge collected within the
331 qualifying jurisdiction.
- 332 (iii)(A) To obtain the information described in Subsection (4)(y)(ii), the chief
333 executive officer or the chief executive officer's designee of the qualifying
334 jurisdiction shall submit a written request to the commission that states the

- 335 specific information sought and how the qualifying jurisdiction intends to use
336 the information.
- 337 (B) The information described in Subsection (4)(y)(ii) is available only in official
338 matters of the qualifying jurisdiction.
- 339 (iv) Information that a qualifying jurisdiction receives in response to a request under
340 this subsection is:
- 341 (A) classified as a private record under Title 63G, Chapter 2, Government Records
342 Access and Management Act; and
- 343 (B) subject to the confidentiality requirements of this section.
- 344 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic
345 Beverage Services Commission, upon request, with taxpayer status information
346 related to state tax obligations necessary to comply with the requirements described
347 in Section 32B-1-203.
- 348 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of
349 Workforce Services, as soon as practicable, whether an individual claimed and is
350 entitled to claim a federal earned income tax credit for the year requested by the
351 Department of Workforce Services if:
- 352 (i) the Department of Workforce Services requests this information; and
- 353 (ii) the commission has received the information release described in Section
354 35A-9-604.
- 355 (bb)(i) As used in this Subsection (4)(bb), "unclaimed property administrator" means
356 the administrator or the administrator's agent, as those terms are defined in Section
357 67-4a-102.
- 358 (ii)(A) Notwithstanding Subsection (2), upon request from the unclaimed property
359 administrator and to the extent allowed under federal law, the commission shall
360 provide the unclaimed property administrator the name, address, telephone
361 number, county of residence, and social security number or federal employer
362 identification number on any return filed under Chapter 7, Corporate Franchise
363 and Income Taxes, or Chapter 10, Individual Income Tax Act.
- 364 (B) The unclaimed property administrator may use the information described in
365 Subsection (4)(bb)(ii)(A) only for the purpose of returning unclaimed property
366 to the property's owner in accordance with Title 67, Chapter 4a, Revised
367 Uniform Unclaimed Property Act.
- 368 (iii) The unclaimed property administrator is subject to the confidentiality provisions

- 369 of this section with respect to any information the unclaimed property
370 administrator receives under this Subsection (4)(bb).
- 371 (cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a
372 taxpayer's state individual income tax information to a program manager of the Utah
373 Fits All Scholarship Program under Section 53F-6-402 if:
- 374 (i) the taxpayer consents in writing to the disclosure;
- 375 (ii) the taxpayer's written consent includes the taxpayer's name, social security
376 number, and any other information the commission requests that is necessary to
377 verify the identity of the taxpayer; and
- 378 (iii) the program manager provides the taxpayer's written consent to the commission.
- 379 (dd) Notwithstanding Subsection (2), the commission may provide to the Division of
380 Finance within the Department of Government Operations any information necessary
381 to facilitate a payment from the commission to a taxpayer, including:
- 382 (i) the name of the taxpayer entitled to the payment or any other person legally
383 authorized to receive the payment;
- 384 (ii) the taxpayer identification number of the taxpayer entitled to the payment;
- 385 (iii) the payment identification number and amount of the payment;
- 386 (iv) the tax year to which the payment applies and date on which the payment is due;
- 387 (v) a mailing address to which the payment may be directed; and
- 388 (vi) information regarding an account at a depository institution to which the
389 payment may be directed, including the name of the depository institution, the
390 type of account, the account number, and the routing number for the account.
- 391 (ee) Notwithstanding Subsection (2), the commission shall provide the total amount of [
392 revenues] revenue collected by the commission under Subsection 59-5-202(5):
- 393 (i) at the request of a committee of the Legislature, the Office of the Legislative
394 Fiscal Analyst, or the Governor's Office of Planning and Budget, to the committee
395 or office for the time period specified by the committee or office; and
- 396 (ii) to the Division of Finance for purposes of the Division of Finance administering
397 Subsection 59-5-202(5).
- 398 (ff) Notwithstanding Subsection (2), the commission may provide the Department of
399 Agriculture and Food with information from a return filed in accordance with
400 Chapter 31, Cannabinoid Licensing and Tax Act.
- 401 (gg) Notwithstanding Subsection (2), the commission shall provide the Department of
402 Workforce Services with the information described in Section 35A-3-105.

- 403 (5)(a) Each report and return shall be preserved for at least three years.
- 404 (b) After the three-year period provided in Subsection (5)(a) the commission may
405 destroy a report or return.
- 406 (6)(a) Any individual who violates this section is guilty of a class A misdemeanor.
- 407 (b) If the individual described in Subsection (6)(a) is an officer or employee of the state,
408 the individual shall be dismissed from office and be disqualified from holding public
409 office in this state for a period of five years thereafter.
- 410 (c) Notwithstanding Subsection (6)(a) or (b), GOEO, when requesting information in
411 accordance with Subsection (4)(n)(iii), or an individual who requests information in
412 accordance with Subsection (4)(n)(v):
- 413 (i) is not guilty of a class A misdemeanor; and
414 (ii) is not subject to:
- 415 (A) dismissal from office in accordance with Subsection (6)(b); or
416 (B) disqualification from holding public office in accordance with Subsection
417 (6)(b).
- 418 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the
419 Office of the Legislative Auditor General in accordance with Title 36, Chapter 12,
420 Legislative Organization, an individual described in Subsection (2):
- 421 (i) is not guilty of a class A misdemeanor; and
422 (ii) is not subject to:
- 423 (A) dismissal from office in accordance with Subsection (6)(b); or
424 (B) disqualification from holding public office in accordance with Subsection
425 (6)(b).

426 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.

427 Section 4. Section **59-1-1801** is enacted to read:

428 **Part 18. Reportable Transactions by Persons Other than Taxpayers**

429 **59-1-1801 (Effective 01/01/26). Definitions.**

430 As used in this part, "payment settlement entity" means the same as that term is defined
431 in 26 U.S.C. Sec. 6050W.

432 Section 5. Section **59-1-1802** is enacted to read:

433 **59-1-1802 (Effective 01/01/26). Reporting by payment settlement entity.**

434 A payment settlement entity that is required to file a return in accordance with 26 U.S.C.
435 Sec. 6050W shall file a return containing the same information with the commission:

436 (1) electronically;

- 437 (2) in a format approved by the commission; and
438 (3) within 30 days after the day on which the payment settlement entity is required to file a
439 return with the Internal Revenue Service.

440 Section 6. Section **59-7-614** is amended to read:

441 **59-7-614 (Effective 05/07/25) (Applies beginning 01/01/25). Clean energy systems**
442 **tax credits -- Definitions -- Certification -- Rulemaking authority.**

443 (1) As used in this section:

444 (a)(i) "Active solar system" means a system of equipment that is capable of:

445 (A) collecting and converting incident solar radiation into thermal, mechanical, or
446 electrical energy; and

447 (B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a
448 separate apparatus to storage or to the point of use.

449 (ii) "Active solar system" includes water heating, space heating or cooling, and
450 electrical or mechanical energy generation.

451 (b) "Biomass system" means a system of apparatus and equipment for use in:

452 (i) converting material into biomass energy, as defined in Section 59-12-102; and

453 (ii) transporting the biomass energy by separate apparatus to the point of use or
454 storage.

455 (c) "Clean energy source" means the same as that term is defined in Section 54-17-601.

456 (d) "Commercial energy system" means a system that is:

457 (i)(A) an active solar system;

458 (B) a biomass system;

459 (C) a direct use geothermal system;

460 (D) a geothermal electricity system;

461 (E) a geothermal heat pump system;

462 (F) a hydroenergy system;

463 (G) a passive solar system; or

464 (H) a wind system;

465 (ii) located in the state; and

466 (iii) used:

467 (A) to supply energy to a commercial unit; or

468 (B) as a commercial enterprise.

469 (e) "Commercial enterprise" means an entity, the purpose of which is to produce:

470 (i) electrical, mechanical, or thermal energy for sale from a commercial energy

- 471 system; or
- 472 (ii) hydrogen for sale from a hydrogen production system.
- 473 (f)(i) "Commercial unit" means a building or structure, other than a residence, that an
- 474 entity uses to transact business.
- 475 (ii) Notwithstanding Subsection (1)(f)(i):
- 476 (A) with respect to an active solar system used for agricultural water pumping or a
- 477 wind system, each individual energy generating device is considered to be a
- 478 commercial unit; or
- 479 (B) if an energy system is the building or structure that an entity uses to transact
- 480 business, a commercial unit is the complete energy system itself.
- 481 (g) "Direct use geothermal system" means a system of apparatus and equipment that
- 482 enables the direct use of geothermal energy to meet energy needs, including heating a
- 483 building, an industrial process, and aquaculture.
- 484 (h) "Geothermal electricity" means energy that is:
- 485 (i) contained in heat that continuously flows outward from the earth; and
- 486 (ii) used as a sole source of energy to produce electricity.
- 487 (i) "Geothermal energy" means energy generated by heat that is contained in the earth.
- 488 (j) "Geothermal heat pump system" means a system of apparatus and equipment that:
- 489 (i) enables the use of thermal properties contained in the earth at temperatures well
- 490 below 100 degrees Fahrenheit; and
- 491 (ii) helps meet heating and cooling needs of a structure.
- 492 (k) "Hydroenergy system" means a system of apparatus and equipment that is capable of:
- 493 (i) intercepting and converting kinetic water energy into electrical or mechanical
- 494 energy; and
- 495 (ii) transferring this form of energy by separate apparatus to the point of use or
- 496 storage.
- 497 (l) "Hydrogen production system" means a system of apparatus and equipment, located
- 498 in this state, that uses:
- 499 (i) electricity from a clean energy source to create hydrogen gas from water,
- 500 regardless of whether the clean energy source is at a separate facility or the same
- 501 facility as the system of apparatus and equipment; or
- 502 (ii) uses renewable natural gas to produce hydrogen gas.
- 503 (m) "Office" means the Office of Energy Development created in Section 79-6-401.
- 504 (n)(i) "Passive solar system" means a direct thermal system that utilizes the structure

- 505 of a building and the structure's operable components to provide for collection,
506 storage, and distribution of heating or cooling during the appropriate times of the
507 year by utilizing the climate resources available at the site.
- 508 (ii) "Passive solar system" includes those portions and components of a building that
509 are expressly designed and required for the collection, storage, and distribution of
510 solar energy.
- 511 (o) "Photovoltaic system" means an active solar system that generates electricity from
512 sunlight.
- 513 (p)(i) "Principal recovery portion" means the portion of a lease payment that
514 constitutes the cost a person incurs in acquiring a commercial energy system.
- 515 (ii) "Principal recovery portion" does not include:
- 516 (A) an interest charge; or
517 (B) a maintenance expense.
- 518 (q) "Residential energy system" means the following used to supply energy to or for a
519 residential unit:
- 520 (i) an active solar system;
521 (ii) a biomass system;
522 (iii) a direct use geothermal system;
523 (iv) a geothermal heat pump system;
524 (v) a hydroenergy system;
525 (vi) a passive solar system; or
526 (vii) a wind system.
- 527 (r)(i) "Residential unit" means a house, condominium, apartment, or similar dwelling
528 unit that:
- 529 (A) is located in the state; and
530 (B) serves as a dwelling for a person, group of persons, or a family.
- 531 (ii) "Residential unit" does not include property subject to a fee under:
- 532 (A) Section 59-2-405;
533 (B) Section 59-2-405.1;
534 (C) Section 59-2-405.2;
535 (D) Section 59-2-405.3; or
536 (E) Section 72-10-110.5.
- 537 (s) "Wind system" means a system of apparatus and equipment that is capable of:
- 538 (i) intercepting and converting wind energy into mechanical or electrical energy; and

- 539 (ii) transferring these forms of energy by a separate apparatus to the point of use,
540 sale, or storage.
- 541 (2) A taxpayer may claim an energy system tax credit as provided in this section against a
542 tax due under this chapter for a taxable year.
- 543 (3)(a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a
544 nonrefundable tax credit under this Subsection (3) with respect to a residential unit
545 the taxpayer owns or uses if:
- 546 (i) the taxpayer:
- 547 (A) purchases and completes a residential energy system to supply all or part of
548 the energy required for the residential unit; or
- 549 (B) participates in the financing of a residential energy system to supply all or part
550 of the energy required for the residential unit; and
- 551 (ii) the taxpayer obtains a written certification from the office in accordance with
552 Subsection (8).
- 553 (b)(i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection
554 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each
555 residential energy system installed with respect to each residential unit the
556 taxpayer owns or uses.
- 557 (ii) A tax credit under this Subsection (3) may include installation costs.
- 558 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year
559 in which the residential energy system is completed and placed in service.
- 560 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax
561 liability under this chapter for a taxable year, the taxpayer may carry forward the
562 amount of the tax credit exceeding the liability for a period that does not exceed
563 the next four taxable years.
- 564 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
565 residential energy system, other than a photovoltaic system, may not exceed \$2,000
566 per residential unit.
- 567 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
568 photovoltaic system may not exceed:
- 569 (i) for a system installed on or after January 1, 2018, but on or before December 31,
570 2020, \$1,600;
- 571 (ii) for a system installed on or after January 1, 2021, but on or before December 31,
572 2021, \$1,200;

- 573 (iii) for a system installed on or after January 1, 2022, but on or before December 31,
574 2022, \$800;
- 575 (iv) for a system installed on or after January 1, 2023, but on or before December 31,
576 2023, \$400; and
- 577 (v) for a system installed on or after January 1, 2024, \$0.
- 578 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the
579 tax credit under this Subsection (3):
- 580 (i) the taxpayer may assign the tax credit to the other person; and
- 581 (ii)(A) if the other person files a return under this chapter, the other person may
582 claim the tax credit under this section as if the other person had met the
583 requirements of this section to claim the tax credit; or
- 584 (B) if the other person files a return under Chapter 10, Individual Income Tax Act,
585 the other person may claim the tax credit under Section 59-10-1014 as if the
586 other person had met the requirements of Section 59-10-1014 to claim the tax
587 credit.
- 588 (4)(a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
589 refundable tax credit under this Subsection (4) with respect to a commercial energy
590 system if:
- 591 (i) the commercial energy system does not use:
- 592 (A) wind, geothermal electricity, solar, or biomass equipment capable of
593 producing a total of 660 or more kilowatts of electricity; or
- 594 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 595 (ii) the taxpayer purchases or participates in the financing of the commercial energy
596 system;
- 597 (iii)(A) the commercial energy system supplies all or part of the energy required
598 by commercial units owned or used by the taxpayer; or
- 599 (B) the taxpayer sells all or part of the energy produced by the commercial energy
600 system as a commercial enterprise;
- 601 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
602 for hydrogen production using electricity for which the taxpayer claims a tax
603 credit under this Subsection (4); and
- 604 (v) the taxpayer obtains a written certification from the office in accordance with
605 Subsection (8).
- 606 (b)(i) Subject to Subsections (4)(b)(ii) through (iv), the tax credit is equal to 10% of

- 607 the reasonable costs of the commercial energy system.
- 608 (ii) A tax credit under this Subsection (4) may include installation costs.
- 609 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (4) for the
610 taxable year in which the commercial energy system is completed and placed in
611 service.
- 612 (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4)
613 may not exceed \$50,000 per commercial unit.
- 614 (c)(i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a
615 commercial energy system installed on a commercial unit may claim a tax credit
616 under this Subsection (4) if the taxpayer confirms that the lessor irrevocably elects
617 not to claim the tax credit.
- 618 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this
619 Subsection (4) only the principal recovery portion of the lease payments.
- 620 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this
621 Subsection (4) for a period that does not exceed seven taxable years after the day
622 on which the lease begins, as stated in the lease agreement.
- 623 (5)(a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a
624 refundable tax credit under this Subsection (5) with respect to a commercial energy
625 system if:
- 626 (i) the commercial energy system uses wind, geothermal electricity, or biomass
627 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 628 (ii)(A) the commercial energy system supplies all or part of the energy required by
629 commercial units owned or used by the taxpayer; or
630 (B) the taxpayer sells all or part of the energy produced by the commercial energy
631 system as a commercial enterprise;
- 632 (iii) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
633 for hydrogen production using electricity for which the taxpayer claims a tax
634 credit under this Subsection (5); and
- 635 (iv) the taxpayer obtains a written certification from the office in accordance with
636 Subsection (8).
- 637 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal
638 to the product of:
- 639 (A) 0.35 cents; and
640 (B) the kilowatt hours of electricity produced and used or sold during the taxable

- 641 year.
- 642 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) for
643 production occurring during a period of 48 months beginning with the month in
644 which the commercial energy system is placed in commercial service.
- 645 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
646 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the
647 lessor irrevocably elects not to claim the tax credit.
- 648 (6)(a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
649 refundable tax credit as provided in this Subsection (6) if:
- 650 (i) the taxpayer owns a commercial energy system that uses solar equipment capable
651 of producing a total of 660 or more kilowatts of electricity;
- 652 (ii)(A) the commercial energy system supplies all or part of the energy required by
653 commercial units owned or used by the taxpayer; or
654 (B) the taxpayer sells all or part of the energy produced by the commercial energy
655 system as a commercial enterprise;
- 656 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed
657 and will not claim a tax credit under Subsection (7) for hydrogen production using
658 electricity for which a taxpayer claims a tax credit under this Subsection (6); and
659 (iv) the taxpayer obtains a written certification from the office in accordance with
660 Subsection (8).
- 661 (b)(i) Subject to Subsection (6)(b)(ii), a tax credit under this Subsection (6) is equal
662 to the product of:
- 663 (A) 0.35 cents; and
664 (B) the kilowatt hours of electricity produced and used or sold during the taxable
665 year.
- 666 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for
667 production occurring during a period of 48 months beginning with the month in
668 which the commercial energy system is placed in commercial service.
- 669 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
670 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the
671 lessor irrevocably elects not to claim the tax credit.
- 672 (7)(a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7) if:
- 673 (i) the taxpayer owns a hydrogen production system;
674 (ii) the hydrogen production system is completed and placed in service on or after

- 675 January 1, 2022;
- 676 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own
677 use in commercial units, the hydrogen produced from the hydrogen production
678 system;
- 679 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),
680 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the
681 requirements of this Subsection (7); and
- 682 (v) the taxpayer obtains a written certification from the office in accordance with
683 Subsection (8).
- 684 (b)(i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7)
685 is equal to the product of:
- 686 (A) \$0.12; and
687 (B) the number of kilograms of hydrogen produced during the taxable year.
- 688 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than
689 5,600 metric tons of hydrogen per taxable year.
- 690 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for
691 production occurring during a period of 48 months beginning with the month in
692 which the hydrogen production system is placed in commercial service.
- 693 (8)(a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall
694 obtain a written certification from the office.
- 695 (b) The office shall issue a taxpayer a written certification if the office determines that:
- 696 (i) the taxpayer meets the requirements of this section to receive a tax credit; and
697 (ii) the residential energy system, the commercial energy system, or the hydrogen
698 production system with respect to which the taxpayer seeks to claim a tax credit:
699 (A) has been completely installed;
700 (B) is a viable system for saving or producing energy from clean resources; and
701 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
702 energy system, the commercial energy system, or the hydrogen production
703 system uses the state's clean and nonrenewable energy resources in an
704 appropriate and economic manner.
- 705 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
706 office may make rules:
- 707 (i) for determining whether a residential energy system, a commercial energy system,
708 or a hydrogen production system meets the requirements of Subsection (8)(b)(ii);

- 709 and
- 710 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the
- 711 reasonable costs of a residential energy system or a commercial energy system, as
- 712 an amount per unit of energy production.
- 713 (d) A taxpayer that obtains a written certification from the office shall retain the
- 714 certification for the same time period a person is required to keep books and records
- 715 under Section 59-1-1406.
- 716 (e) The office shall submit to the commission an electronic list that includes:
- 717 (i) the name and identifying information of each taxpayer to which the office issues a
- 718 written certification; and
- 719 (ii) for each taxpayer:
- 720 (A) the amount of the tax credit listed on the written certification; and
- 721 (B) the date the clean energy system was installed.
- 722 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
- 723 commission may make rules to address the certification of a tax credit under this section.
- 724 (10) A tax credit under this section is in addition to any tax credits provided under the laws
- 725 or rules and regulations of the United States.
- 726 (11) A taxpayer may not claim or carry forward a tax credit described in this section in a
- 727 taxable year during which the taxpayer claims or carries forward a tax credit under
- 728 Section 59-7-614.7.
- 729 Section 7. Section **59-7-614.10** is amended to read:
- 730 **59-7-614.10 (Effective 05/07/25) (Applies beginning 01/01/25). Nonrefundable**
- 731 **enterprise zone tax credit.**
- 732 (1) As used in this section:
- 733 (a) "Business entity" means a corporation that meets the definition of "business entity"
- 734 as that term is defined in Section 63N-2-202.
- 735 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
- 736 63N-1a-301.
- 737 (2) Subject to the provisions of this section, for a taxable year beginning before January 1,
- 738 2025, a business entity may claim a nonrefundable enterprise zone tax credit as
- 739 described in Section 63N-2-213.
- 740 (3) The enterprise zone tax credit under this section is the amount listed as the tax credit
- 741 amount on the tax credit certificate that the office issues to the business entity for the
- 742 taxable year.

- 743 (4) A business entity may carry forward a tax credit under this section for a period that does
744 not exceed the next three taxable years, if the amount of the tax credit exceeds the
745 business entity's tax liability under this chapter for that taxable year.
- 746 (5)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim
747 Committee shall study the tax credit allowed by this section and make
748 recommendations concerning whether the tax credit should be continued, modified,
749 or repealed.
- 750 (b)(i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required
751 by this Subsection (5), the office shall provide by electronic means the following
752 information for each calendar year to the Office of the Legislative Fiscal Analyst:
- 753 (A) the amount of tax credits provided in each development zone;
 - 754 (B) the number of new full-time employee positions reported to obtain tax credits
755 in each development zone;
 - 756 (C) the amount of tax credits awarded for rehabilitating a building in each
757 development zone;
 - 758 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
759 depreciable property in each development zone;
 - 760 (E) the information related to the tax credit contained in the office's latest report
761 under Section 63N-1a-301; and
 - 762 (F) any other information that the Office of the Legislative Fiscal Analyst requests.
- 763 (ii)(A) In providing the information described in Subsection (5)(b)(i), the office
764 shall redact information that identifies a recipient of a tax credit under this
765 section.
- 766 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A),
767 reporting the information described in Subsection (5)(b)(i) might disclose the
768 identity of a recipient of a tax credit, the office may file a request with the
769 Revenue and Taxation Interim Committee to provide the information described
770 in Subsection (5)(b)(i) in the aggregate for all development zones that receive
771 the tax credit under this section.
- 772 (c) As part of the study required by this Subsection (5), the Office of the Legislative
773 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a
774 summary and analysis of the information provided to the Office of the Legislative
775 Fiscal Analyst by the office under Subsection (5)(b).
- 776 (d) The Revenue and Taxation Interim Committee shall ensure that the

777 recommendations described in Subsection (5)(a) include an evaluation of:

- 778 (i) the cost of the tax credit to the state;
- 779 (ii) the purpose and effectiveness of the tax credit; and
- 780 (iii) the extent to which the state benefits from the tax credit.

781 Section 8. Section **59-10-104.1** is amended to read:

782 **59-10-104.1 (Effective 01/01/26). Exemption from taxation.**

783 (1) For purposes of this section:

784 (a) "Modified adjusted gross income" means the amount calculated by:

785 (i) adding the individual's adjusted gross income on the individual's federal individual

786 income tax return for the taxable year and any additions required by Section

787 59-10-114 for the taxable year; and

788 (ii) subtracting from the amount calculated in accordance with Subsection (1)(a)(i),

789 any subtractions required by Section 59-10-114 for the taxable year.

790 (b) "Personal exemptions" means the total exemption amount an individual is allowed to

791 claim for the taxable year under Section 151, Internal Revenue Code, for:

- 792 (i) the individual;
- 793 (ii) the individual's spouse; and
- 794 (iii) the individual's dependents.

795 ~~[(b)]~~ (c) "Standard deduction":

796 (i) means the standard deduction an individual is allowed to claim for the taxable

797 year under Section 63, Internal Revenue Code; and

798 (ii) notwithstanding Subsection ~~[(1)(b)(i)]~~ (1)(c)(i), does not include an additional

799 amount allowed under Section 63(f), Internal Revenue Code, for an individual or

800 an individual's spouse who is:

- 801 (A) blind; or
- 802 (B) 65 years of age or older.

803 (2) ~~[For taxable years beginning on or after January 1, 2002, an]~~ An individual is exempt

804 from a tax imposed by Section 59-10-104 or 59-10-116 if the individual's ~~[adjusted~~

805 ~~gross income on the individual's federal individual income tax return for the taxable year]~~

806 modified adjusted gross income is less than or equal to the sum of the individual's:

- 807 (a) personal exemptions for that taxable year; and
- 808 (b) standard deduction for that taxable year.

809 Section 9. Section **59-10-114** is amended to read:

810 **59-10-114 (Effective 01/01/26). Additions to and subtractions from adjusted**

811 **gross income of an individual.**

- 812 (1) There shall be added to adjusted gross income of a resident or nonresident individual:
- 813 (a) a lump sum distribution that the taxpayer does not include in adjusted gross income
- 814 on the taxpayer's federal individual income tax return for the taxable year;
- 815 (b) the amount of a child's income calculated under Subsection (4) that:
- 816 (i) a parent elects to report on the parent's federal individual income tax return for the
- 817 taxable year; and
- 818 (ii) the parent does not include in adjusted gross income on the parent's federal
- 819 individual income tax return for the taxable year;
- 820 (c)(i) a withdrawal from a medical care savings account and any penalty imposed for
- 821 the taxable year if:
- 822 (A) the resident or nonresident individual does not deduct the amounts on the
- 823 resident or nonresident individual's federal individual income tax return under
- 824 Section 220, Internal Revenue Code;
- 825 (B) the withdrawal is subject to Subsections 31A-32a-105(1) and (2); and
- 826 (C) the withdrawal is subtracted on, or used as the basis for claiming a tax credit
- 827 on, a return the resident or nonresident individual files under this chapter;
- 828 (ii) a disbursement required to be added to adjusted gross income in accordance with
- 829 Subsection 31A-32a-105(3); or
- 830 (iii) an amount required to be added to adjusted gross income in accordance with
- 831 Subsection 31A-32a-105(5)(c);
- 832 (d) the amount withdrawn under Title 53B, Chapter 8a, Utah Educational Savings Plan,
- 833 from the account of a resident or nonresident individual who is an account owner as
- 834 defined in Section 53B-8a-102, for the taxable year for which the amount is
- 835 withdrawn, if that amount withdrawn from the account of the resident or nonresident
- 836 individual who is the account owner:
- 837 (i) is not expended for:
- 838 (A) higher education costs as defined in Section 53B-8a-102.5; or
- 839 (B) a payment or distribution that qualifies as an exception to the additional tax
- 840 for distributions not used for educational expenses provided in Sections 529(c)
- 841 and 530(d), Internal Revenue Code; and
- 842 (ii) is:
- 843 (A) subtracted by the resident or nonresident individual:
- 844 (I) who is the account owner; and

- 845 (II) on the resident or nonresident individual's return filed under this chapter
846 for a taxable year beginning on or before December 31, 2007; or
847 (B) used as the basis for the resident or nonresident individual who is the account
848 owner to claim a tax credit under Section 59-10-1017;
- 849 (e) except as provided in Subsection (5), for bonds, notes, and other evidences of
850 indebtedness acquired on or after January 1, 2003, the interest from bonds, notes, and
851 other evidences of indebtedness:
- 852 (i) issued by one or more of the following entities:
- 853 (A) a state other than this state;
854 (B) the District of Columbia;
855 (C) a political subdivision of a state other than this state; or
856 (D) an agency or instrumentality of an entity described in Subsections (1)(e)(i)(A)
857 through (C); and
- 858 (ii) to the extent the interest is not included in adjusted gross income on the taxpayer's
859 federal income tax return for the taxable year;
- 860 (f) subject to Subsection (2)(c), any distribution received by a resident beneficiary of a
861 resident trust of income that was taxed at the trust level for federal tax purposes, but
862 was subtracted from state taxable income of the trust pursuant to Subsection
863 59-10-202(2)(b);
- 864 (g) any distribution received by a resident beneficiary of a nonresident trust of
865 undistributed distributable net income realized by the trust on or after January 1,
866 2004, if that undistributed distributable net income was taxed at the trust level for
867 federal tax purposes, but was not taxed at the trust level by any state, with
868 undistributed distributable net income considered to be distributed from the most
869 recently accumulated undistributed distributable net income;
- 870 (h) any adoption expense:
- 871 (i) for which a resident or nonresident individual receives reimbursement from
872 another person; and
- 873 (ii) to the extent to which the resident or nonresident individual subtracts that
874 adoption expense:
- 875 (A) on a return filed under this chapter for a taxable year beginning on or before
876 December 31, 2007; or
877 (B) from federal taxable income on a federal individual income tax return;
- 878 (i) the amount of tax paid on income attributed to the individual in accordance with

- 879 Subsection 59-10-1403.2(2) that is not included in adjusted gross income; and
- 880 (j) the amount of tax paid:
- 881 (i) on income attributed to the individual and taxable in this state, that is not included
- 882 in adjusted gross income;
- 883 (ii) to another state; and
- 884 (iii) that the commission determines is substantially similar to the tax imposed under
- 885 Subsection 59-10-1403.2(2).
- 886 (2) There shall be subtracted from adjusted gross income of a resident or nonresident
- 887 individual:
- 888 (a) the difference between:
- 889 (i) the interest or a dividend on an obligation or security of the United States or an
- 890 authority, commission, instrumentality, or possession of the United States, to the
- 891 extent that interest or dividend is:
- 892 (A) included in adjusted gross income for federal income tax purposes for the
- 893 taxable year; and
- 894 (B) exempt from state income taxes under the laws of the United States; and
- 895 (ii) any interest on indebtedness incurred or continued to purchase or carry the
- 896 obligation or security described in Subsection (2)(a)(i);
- 897 (b) if the conditions of Subsection (3)(a) are met, the amount of income derived by a Ute
- 898 tribal member:
- 899 (i) during a time period that the Ute tribal member resides on homesteaded land
- 900 diminished from the Uintah and Ouray Reservation; and
- 901 (ii) from a source within the Uintah and Ouray Reservation;
- 902 (c) an amount received by a resident or nonresident individual or distribution received
- 903 by a resident or nonresident beneficiary of a resident trust:
- 904 (i) if that amount or distribution constitutes a refund of taxes imposed by:
- 905 (A) a state; or
- 906 (B) the District of Columbia; and
- 907 (ii) to the extent that amount or distribution is included in adjusted gross income for
- 908 that taxable year on the federal individual income tax return of the resident or
- 909 nonresident individual or resident or nonresident beneficiary of a resident trust;
- 910 (d) the amount of a railroad retirement benefit:
- 911 (i) paid:
- 912 (A) in accordance with The Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231

- 913 et seq.;
- 914 (B) to a resident or nonresident individual; and
- 915 (C) for the taxable year; and
- 916 (ii) to the extent that railroad retirement benefit is included in adjusted gross income
- 917 on that resident or nonresident individual's federal individual income tax return for
- 918 that taxable year;
- 919 (e) an amount:
- 920 (i) received by an enrolled member of an American Indian tribe; and
- 921 (ii) to the extent that the state is not authorized or permitted to impose a tax under this
- 922 part on that amount in accordance with:
- 923 (A) federal law;
- 924 (B) a treaty; or
- 925 (C) a final decision issued by a court of competent jurisdiction;
- 926 (f) an amount received:
- 927 (i) for the interest on a bond, note, or other obligation issued by an entity for which
- 928 state statute provides an exemption of interest on its bonds from state individual
- 929 income tax;
- 930 (ii) by a resident or nonresident individual;
- 931 (iii) for the taxable year; and
- 932 (iv) to the extent the amount is included in adjusted gross income on the taxpayer's
- 933 federal income tax return for the taxable year;
- 934 (g) the amount of all income, including income apportioned to another state, of a
- 935 nonmilitary spouse of an active duty military member if:
- 936 (i) both the nonmilitary spouse and the active duty military member are nonresident
- 937 individuals;
- 938 (ii) the active duty military member is stationed in Utah;
- 939 (iii) the nonmilitary spouse is subject to the residency provisions of 50 U.S.C. Sec.
- 940 4001(a)(2); and
- 941 (iv) the income is included in adjusted gross income for federal income tax purposes
- 942 for the taxable year;
- 943 ~~[(h) for a taxable year beginning on or after January 1, 2019, but beginning on or before~~
- 944 ~~December 31, 2019, only:]~~
- 945 ~~[(i) the amount of any FDIC premium paid or incurred by the taxpayer that is~~
- 946 ~~disallowed as a deduction for federal income tax purposes under Section 162(r),~~

- 947 Internal Revenue Code, on the taxpayer's 2018 federal income tax return; plus]
- 948 [(ii) the amount of any FDIC premium paid or incurred by the taxpayer that is
- 949 disallowed as a deduction for federal income tax purposes under Section 162(r),
- 950 Internal Revenue Code, for the taxable year;]
- 951 [(i)] (h) [for a taxable year beginning on or after January 1, 2020,] the amount of any
- 952 FDIC premium paid or incurred by the taxpayer that is disallowed as a deduction for
- 953 federal income tax purposes under Section 162(r), Internal Revenue Code, for the
- 954 taxable year;[-and]
- 955 [(j)] (i) an amount of a distribution from a qualified retirement plan under Section 401(a),
- 956 Internal Revenue Code, if:
- 957 (i) the amount of the distribution is included in adjusted gross income on the resident
- 958 or nonresident individual's federal individual income tax return for the taxable
- 959 year; and
- 960 (ii) for the taxable year when the amount of the distribution was contributed to the
- 961 qualified retirement plan, the amount of the distribution:
- 962 (A) was not included in adjusted gross income on the resident or nonresident
- 963 individual's federal individual income tax return for the taxable year; and
- 964 (B) was taxed by another state of the United States, the District of Columbia, or a
- 965 possession of the United States[-:]; and
- 966 (j) the amount of any repayment in the current taxable year of social security income
- 967 received in a previous taxable year if:
- 968 (i) the individual claimed a credit for the repayment on the individual's federal
- 969 individual income tax return for the current taxable year; and
- 970 (ii) the individual did not claim a tax credit under Section 59-10-1042 for the taxable
- 971 year in which the individual received the social security income.
- 972 (3)(a) A subtraction for an amount described in Subsection (2)(b) is allowed only if:
- 973 (i) the taxpayer is a Ute tribal member; and
- 974 (ii) the governor and the Ute tribe execute and maintain an agreement meeting the
- 975 requirements of this Subsection (3).
- 976 (b) The agreement described in Subsection (3)(a):
- 977 (i) may not:
- 978 (A) authorize the state to impose a tax in addition to a tax imposed under this
- 979 chapter;
- 980 (B) provide a subtraction under this section greater than or different from the

- 981 subtraction described in Subsection (2)(b); or
982 (C) affect the power of the state to establish rates of taxation; and
983 (ii) shall:
984 (A) provide for the implementation of the subtraction described in Subsection
985 (2)(b);
986 (B) be in writing;
987 (C) be signed by:
988 (I) the governor; and
989 (II) the chair of the Business Committee of the Ute tribe;
990 (D) be conditioned on obtaining any approval required by federal law; and
991 (E) state the effective date of the agreement.
- 992 (c)(i) The governor shall report to the commission by no later than February 1 of each
993 year regarding whether or not an agreement meeting the requirements of this
994 Subsection (3) is in effect.
- 995 (ii) If an agreement meeting the requirements of this Subsection (3) is terminated, the
996 subtraction permitted under Subsection (2)(b) is not allowed for taxable years
997 beginning on or after the January 1 following the termination of the agreement.
- 998 (d) For purposes of Subsection (2)(b) and in accordance with Title 63G, Chapter 3, Utah
999 Administrative Rulemaking Act, the commission may make rules:
- 1000 (i) for determining whether income is derived from a source within the Uintah and
1001 Ouray Reservation; and
1002 (ii) that are substantially similar to how adjusted gross income derived from Utah
1003 sources is determined under Section 59-10-117.
- 1004 (4)(a) For purposes of this Subsection (4), "Form 8814" means:
1005 (i) the federal individual income tax Form 8814, Parents' Election To Report Child's
1006 Interest and Dividends; or
1007 (ii)(A) a form designated by the commission in accordance with Subsection
1008 (4)(a)(ii)(B) as being substantially similar to 2000 Form 8814 if for purposes of
1009 federal individual income taxes the information contained on 2000 Form 8814
1010 is reported on a form other than Form 8814; and
1011 (B) for purposes of Subsection (4)(a)(ii)(A) and in accordance with Title 63G,
1012 Chapter 3, Utah Administrative Rulemaking Act, the commission may make
1013 rules designating a form as being substantially similar to 2000 Form 8814 if for
1014 purposes of federal individual income taxes the information contained on 2000

- 1015 Form 8814 is reported on a form other than Form 8814.
- 1016 (b) The amount of a child's income added to adjusted gross income under Subsection
- 1017 (1)(b) is equal to the difference between:
- 1018 (i) the lesser of:
- 1019 (A) the base amount specified on Form 8814; and
- 1020 (B) the sum of the following reported on Form 8814:
- 1021 (I) the child's taxable interest;
- 1022 (II) the child's ordinary dividends; and
- 1023 (III) the child's capital gain distributions; and
- 1024 (ii) the amount not taxed that is specified on Form 8814.
- 1025 (5) Notwithstanding Subsection (1)(e), interest from bonds, notes, and other evidences of
- 1026 indebtedness issued by an entity described in Subsections (1)(e)(i)(A) through (D) may
- 1027 not be added to adjusted gross income of a resident or nonresident individual if, as
- 1028 annually determined by the commission:
- 1029 (a) for an entity described in Subsection (1)(e)(i)(A) or (B), the entity and all of the
- 1030 political subdivisions, agencies, or instrumentalities of the entity do not impose a tax
- 1031 based on income on any part of the bonds, notes, and other evidences of indebtedness
- 1032 of this state; or
- 1033 (b) for an entity described in Subsection (1)(e)(i)(C) or (D), the following do not impose
- 1034 a tax based on income on any part of the bonds, notes, and other evidences of
- 1035 indebtedness of this state:
- 1036 (i) the entity; or
- 1037 (ii)(A) the state in which the entity is located; or
- 1038 (B) the District of Columbia, if the entity is located within the District of
- 1039 Columbia.
- 1040 Section 10. Section **59-10-510** is amended to read:
- 1041 **59-10-510 (Effective 01/01/26). Return of electing small business corporation.**
- 1042 An electing small business corporation, as defined in Section [~~1371(a)(2)~~] 1362, Internal
- 1043 Revenue Code, shall make a return for each taxable year, stating specifically:
- 1044 (1) the items of the electing small business corporation's gross income and the deductions
- 1045 allowable by Subtitle A, Internal Revenue Code;
- 1046 (2) the names and addresses of all persons owning stock in the electing small business
- 1047 corporation at any time during the taxable year;
- 1048 (3) the number of shares of stock owned by each shareholder at all times during the taxable

1049 year to each shareholder;

1050 (4) the date of each distribution to a shareholder; and

1051 (5) other information as the commission may prescribe by:

1052 (a) form; or

1053 (b) administrative rule made in accordance with Title 63G, Chapter 3, Utah
1054 Administrative Rulemaking Act.

1055 Section 11. Section **59-10-1037** is amended to read:

1056 **59-10-1037 (Effective 05/07/25) (Applies beginning 01/01/25). Nonrefundable**
1057 **enterprise zone tax credit.**

1058 (1) As used in this section:

1059 (a) "Business entity" means a claimant, estate, or trust that meets the definition of
1060 "business entity" as that term is defined in Section 63N-2-202.

1061 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
1062 63N-1a-301.

1063 (2) Subject to the provisions of this section, for a taxable year beginning before January 1,
1064 2025, a business entity may claim a nonrefundable enterprise zone tax credit as
1065 described in Section 63N-2-213.

1066 (3) The enterprise zone tax credit under this section is the amount listed as the tax credit
1067 amount on the tax credit certificate that the office issues to the business entity for the
1068 taxable year.

1069 (4) A business entity may carry forward a tax credit under this section for a period that does
1070 not exceed the next three taxable years, if the amount of the tax credit exceeds the
1071 business entity's tax liability under this chapter for that taxable year.

1072 (5)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim
1073 Committee shall study the tax credit allowed by this section and make
1074 recommendations concerning whether the tax credit should be continued, modified,
1075 or repealed.

1076 (b)(i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required
1077 by this Subsection (5), the office shall provide by electronic means the following
1078 information, if available to the office, for each calendar year to the Office of the
1079 Legislative Fiscal Analyst:

1080 (A) the amount of tax credits provided in each development zone;

1081 (B) the number of new full-time employee positions reported to obtain tax credits
1082 in each development zone;

- 1083 (C) the amount of tax credits awarded for rehabilitating a building in each
 1084 development zone;
- 1085 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
 1086 depreciable property in each development zone;
- 1087 (E) the information related to the tax credit contained in the office's latest report
 1088 under Section 63N-1a-306; and
- 1089 (F) other information that the Office of the Legislative Fiscal Analyst requests.
- 1090 (ii)(A) In providing the information described in Subsection (5)(b)(i), the office
 1091 shall redact information that identifies a recipient of a tax credit under this
 1092 section.
- 1093 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A),
 1094 reporting the information described in Subsection (5)(b)(i) might disclose the
 1095 identity of a recipient of a tax credit, the office may file a request with the
 1096 Revenue and Taxation Interim Committee to provide the information described
 1097 in Subsection (5)(b)(i) in the aggregate for all development zones that receive
 1098 the tax credit under this section.
- 1099 (c) As part of the study required by this Subsection (5), the Office of the Legislative
 1100 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a
 1101 summary and analysis of the information provided to the Office of the Legislative
 1102 Fiscal Analyst by the office under Subsection (5)(b).
- 1103 (d) The Revenue and Taxation Interim Committee shall ensure that the
 1104 recommendations described in Subsection (5)(a) include an evaluation of:
- 1105 (i) the cost of the tax credit to the state;
- 1106 (ii) the purpose and effectiveness of the tax credit; and
- 1107 (iii) the extent to which the state benefits from the tax credit.

1108 Section 12. Section **59-10-1042** is amended to read:

1109 **59-10-1042 (Effective 01/01/26). Nonrefundable tax credit for social security**
 1110 **benefits.**

1111 (1) As used in this section:

- 1112 (a) "Head of household filing status" means the same as that term is defined in Section
 1113 59-10-1018.
- 1114 (b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.
- 1115 (c) "Married filing separately status" means a married individual who:
- 1116 (i) does not file a single federal individual income tax return jointly with that married

- 1117 individual's spouse for the taxable year; and
- 1118 (ii) files a single federal individual income tax return for the taxable year.
- 1119 (d) "Modified adjusted gross income" means the sum of the following for a claimant or,
- 1120 if the claimant's return under this chapter is allowed a joint filing status, the claimant
- 1121 and the claimant's spouse:
- 1122 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
- 1123 this section;
- 1124 (ii) any interest income that is not included in adjusted gross income for the taxable
- 1125 year described in Subsection (1)(d)(i); and
- 1126 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
- 1127 taxable year described in Subsection (1)(d)(i).
- 1128 (e) "Single filing status" means a single individual who files a single federal individual
- 1129 income tax return for the taxable year.
- 1130 (f) "Social security benefit" means an amount received by a claimant as a monthly
- 1131 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.
- 1132 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), each claimant
- 1133 on a return that receives a social security benefit may claim a nonrefundable tax credit
- 1134 against taxes otherwise due under this part equal to the product of:
- 1135 (a) the percentage listed in Subsection 59-10-104(2); and
- 1136 (b) the claimant's social security benefit that is included in adjusted gross income on the
- 1137 claimant's federal income tax return for the taxable year.
- 1138 (3) A claimant may not:
- 1139 (a) carry forward or carry back the amount of a tax credit under this section that exceeds
- 1140 the claimant's tax liability for the taxable year; or
- 1141 (b) claim a tax credit under this section for a taxable year if a tax credit under Section
- 1142 59-10-1019 is claimed on the claimant's return for the same taxable year.
- 1143 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part shall
- 1144 be reduced by \$.025 for each dollar by which modified adjusted gross income for
- 1145 purposes of the return exceeds:
- 1146 (a) for a [~~federal individual income tax~~]return filed under this chapter that is allowed a
- 1147 married filing separately status, \$37,500;
- 1148 (b) for a [~~federal individual income tax~~]return filed under this chapter that is allowed a
- 1149 single filing status, \$45,000;
- 1150 (c) for a [~~federal individual income tax~~]return filed under this chapter that is allowed a

1151 head of household filing status, \$75,000; or
 1152 (d) for a return filed under this chapter that is allowed a joint filing status, \$75,000.
 1153 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 1154 commission may make rules governing the calculation and method for claiming the tax
 1155 credit described in this section.

1156 Section 13. Section **59-10-1045** is amended to read:

1157 **59-10-1045 (Effective 01/01/26) (Applies beginning 01/01/25). Nonrefundable tax**
 1158 **credit for taxes paid by pass-through entity.**

- 1159 (1) As used in this section, "taxed pass-through entity taxpayer" means a resident or
 1160 nonresident individual who:
- 1161 (a) has income attributed to the individual by a pass-through entity;
 - 1162 (b) receives the income described in Subsection (1)(a) after the pass-through entity pays
 1163 the tax described in Subsection 59-10-1403.2(2); and
 - 1164 (c) adds the amount of tax paid on the income described in Subsection (1)(a) to adjusted
 1165 gross income in accordance with Subsection 59-10-114(1)(i).
- 1166 (2)(a) A taxed pass-through entity taxpayer may claim a nonrefundable tax credit for the
 1167 taxes imposed under Subsection 59-10-1403.2(2).
 1168 (b) The tax credit is equal to the amount of the tax paid under Subsection
 1169 59-10-1403.2(2) by the pass-through entity on the income attributed to the taxed
 1170 pass-through entity taxpayer.
- 1171 (3)(a) A taxed pass-through entity taxpayer may carry forward the amount of the tax
 1172 credit that exceeds the taxed pass-through entity taxpayer's tax liability for a period
 1173 that does not exceed the next ~~five~~ ten taxable years.
 1174 (b) A taxed pass-through entity taxpayer may not carry back the amount of the tax credit
 1175 that exceeds the taxed pass-through entity taxpayer's tax liability for the taxable year.

1176 Section 14. Section **59-10-1102.2** is enacted to read:

1177 **59-10-1102.2 (Effective 05/07/25) (Applies beginning 01/01/25). Removal of tax**
 1178 **credit from tax return and prohibition on claiming a tax credit -- Conditions for removal**
 1179 **and prohibition on claiming a tax credit -- Commission publishing requirements.**

- 1180 (1) As used in this section, "tax return" means a tax return filed in accordance with this
 1181 chapter.
- 1182 (2) Beginning two taxable years after the requirements of Subsection (3) are met:
- 1183 (a) the commission shall remove a tax credit allowed under this part from each tax return
 1184 on which the tax credit appears; and

- 1185 (b) a claimant, estate, or trust filing a tax return may not claim the tax credit.
- 1186 (3) The commission shall remove a tax credit allowed under this part from a tax return and
1187 a claimant, estate, or trust filing a tax return may not claim the tax credit as provided in
1188 Subsection (2) if:
- 1189 (a) the total amount of the tax credit claimed by all claimants, estates, or trusts filing tax
1190 returns is less than \$10,000 per year for three consecutive taxable years beginning on
1191 or after January 1, 2025; and
- 1192 (b) fewer than 10 claimants, estates, and trusts per year for the three consecutive taxable
1193 years described in Subsection (3)(a), file a tax return claiming the tax credit.
- 1194 (4) On or before the November interim meeting of the year after the taxable year in which
1195 the requirements of Subsection (3) are met, the commission shall report to the Revenue
1196 and Taxation Interim Committee by electronic means that in accordance with this
1197 section:
- 1198 (a) the commission is required to remove a tax credit from each tax return on which the
1199 tax credit appears; and
- 1200 (b) a claimant, estate, or trust filing a tax return may not claim the tax credit.
- 1201 (5)(a) Within a 30-day period after the day on which the commission makes the report
1202 required by Subsection (4), the commission shall publish a list in accordance with
1203 Subsection (5)(b) stating each tax credit that the commission will remove from a
1204 return on which the tax credit appears.
- 1205 (b) The list shall:
- 1206 (i) be published on:
- 1207 (A) the commission's website; and
- 1208 (B) the public legal notice website in accordance with Section 45-1-101;
- 1209 (ii) include a statement that:
- 1210 (A) the commission is required to remove the tax credit from each return on which
1211 the tax credit appears; and
- 1212 (B) the tax credit may not be claimed on a return;
- 1213 (iii) state the taxable year for which the removal described in Subsection (5)(a) takes
1214 effect; and
- 1215 (iv) remain available for viewing and searching until the commission publishes a new
1216 list in accordance with this Subsection (5).
- 1217 Section 15. Section **63I-2-259** is amended to read:
- 1218 **63I-2-259 (Effective 05/07/25). Repeal dates: Title 59.**

- 1219 (1) Subsection 59-7-159(3)(b)(iii), referencing Section 59-7-614.10, is repealed December
 1220 31, 2026.
- 1221 [(4)] (2) Subsection 59-7-610(8), regarding claiming a tax credit in the same taxable year as
 1222 the targeted business income tax credit, is repealed December 31, 2024.
- 1223 (3) Section 59-7-614.10 is repealed December 31, 2026.
- 1224 [(2)] (4) Subsection 59-7-614.10(5), regarding claiming a tax credit in the same taxable year
 1225 as the targeted business income tax credit, is repealed December 31, 2024.
- 1226 [(3)] (5) Section 59-7-624, Targeted business income tax credit, is repealed December 31,
 1227 2024.
- 1228 (6) Subsection 59-10-137(3)(b)(viii), referencing Section 59-10-1037, is repealed
 1229 December 31, 2026.
- 1230 [(4)] (7) Subsection 59-10-210(2)(b)(vi), regarding Section 59-10-1112, is repealed
 1231 December 31, 2024.
- 1232 [(5)] (8) Subsection 59-10-1007(8), regarding claiming a tax credit in the same taxable year
 1233 as the targeted business income tax credit, is repealed December 31, 2024.
- 1234 (9) Section 59-10-1037 is repealed December 31, 2026.
- 1235 [(6)] (10) Subsection 59-10-1037(5), regarding claiming a tax credit in the same taxable
 1236 year as the targeted business income tax credit, is repealed December 31, 2024.
- 1237 [(7)] (11) Section 59-10-1112, Targeted business income tax credit, is repealed December
 1238 31, 2024.
- 1239 Section 16. Section **63I-2-263** is amended to read:
- 1240 **63I-2-263 (Effective 05/07/25). Repeal dates: Titles 63A through 63O.**
- 1241 (1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services
 1242 Procurement Advisory Council is repealed July 1, 2025.
- 1243 (2) Section 63A-17-806, Definitions -- Infant at Work Pilot Program -- Administration --
 1244 Report, is repealed June 30, 2026.
- 1245 (3) Section 63C-1-103, Appointment and terms of boards, committees, councils, and
 1246 commissions transitioning on October 1, 2024, or December 31, 2024, is repealed July
 1247 1, 2025.
- 1248 (4) Section 63C-1-104, Appointment and terms of boards transitioning on October 1, 2024,
 1249 is repealed January 1, 2025.
- 1250 (5) Title 63C, Chapter 29, Domestic Violence Data Task Force, is repealed October 1, 2024.
- 1251 (6) Subsection 63G-6a-802(1)(e), regarding a procurement for a presidential debate, is
 1252 repealed January 1, 2025.

- 1253 (7) Subsection 63G-6a-802(3)(b)(iii), regarding a procurement for a presidential debate, is
 1254 repealed January 1, 2025.
- 1255 (8) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety
 1256 communications network, is repealed July 1, 2033.
- 1257 (9) Subsection 63J-1-602.2(3), regarding funding the Enterprise Zone Act, is repealed
 1258 December 31, 2026.
- 1259 [(9)] (10) Subsection 63J-1-602.2(47), regarding appropriations to the State Tax
 1260 Commission for deferral reimbursements, is repealed July 1, 2027.
- 1261 [(10)] (11) Section 63M-7-221, Expungement working group, is repealed April 30, 2025.
- 1262 [(11)] (12) Section 63M-7-504, Crime Victim Reparations and Assistance Board --
 1263 Members, is repealed December 31, 2024.
- 1264 [(12)] (13) Section 63M-7-505, Board and office within Commission on Criminal and
 1265 Juvenile Justice, is repealed December 31, 2024.
- 1266 [(13)] (14) Title 63M, Chapter 7, Part 6, Utah Council on Victims of Crime, is repealed
 1267 December 31, 2024.
- 1268 [(14)] (15) Subsection 63N-2-213(12)(a), regarding claiming a tax credit in the same taxable
 1269 year as the targeted business income tax credit, is repealed December 31, 2024.
- 1270 (16) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed December 31, 2026.
- 1271 [(15)] (17) Title 63N, Chapter 2, Part 3, Targeted Business Income Tax Credit in an
 1272 Enterprise Zone, is repealed December 31, 2024.
- 1273 Section 17. **Effective Date.**
- 1274 (1) Except as provided in Subsection (2), this bill takes effect on May 7, 2025.
- 1275 (2) The actions affecting the following sections take effect for a taxable year beginning on
 1276 or after January 1, 2026:
- 1277 (a) Section 59-1-1801 (Effective 01/01/26);
- 1278 (b) Section 59-1-1802 (Effective 01/01/26);
- 1279 (c) Section 59-10-104.1 (Effective 01/01/26);
- 1280 (d) Section 59-10-114 (Effective 01/01/26);
- 1281 (e) Section 59-10-510 (Effective 01/01/26); and
- 1282 (f) Section 59-10-1042 (Effective 01/01/26).
- 1283 Section 18. **Retrospective operation.**
- 1284 The following sections have retrospective operation for a taxable year beginning on or
 1285 after January 1, 2025:
- 1286 (1) Section 59-7-614;

- 1287 (2) Section 59-7-614.10;
- 1288 (3) Section 59-10-1037;
- 1289 (4) Section 59-10-1045; and
- 1290 (5) Section 59-10-1102.2.