

Daniel McCay proposes the following substitute bill:

**State Tax Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Steve Eliason**

Senate Sponsor: Daniel McCay

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**LONG TITLE**

**General Description:**

This bill modifies provisions relating to the 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;

- provides the circumstances under which there is an annual limit on the total amount of interest that the commission pays;

- 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

29       ▸ makes technical changes.

30   **Money Appropriated in this Bill:**

31       None

32   **Other Special Clauses:**

33       This bill provides a special effective date.

34       This bill provides retrospective operation.

35   **Utah Code Sections Affected:**

36   AMENDS:

37       **19-12-203 (Effective 01/01/26)**, as enacted by Laws of Utah 2014, Chapter 24

38       **31A-32a-103 (Effective 05/07/25)**, as last amended by Laws of Utah 2008, Chapter 389

39       **35A-3-105 (Effective 05/07/25)**, as last amended by Laws of Utah 2015, Chapter 221

40       **59-1-402 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 290

41       **59-1-403 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapters 25, 35

42       **59-7-614 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by Laws of  
43       Utah 2024, Chapter 53

44       **59-7-614.10 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by  
45       Laws of Utah 2021, Chapter 282

46       **59-10-104.1 (Effective 01/01/26)**, as last amended by Laws of Utah 2008, Chapter 389

47       **59-10-114 (Effective 01/01/26)**, as last amended by Laws of Utah 2023, Chapter 470

48       **59-10-510 (Effective 01/01/26)**, as last amended by Laws of Utah 2009, Chapter 212

49       **59-10-1037 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by Laws  
50       of Utah 2021, Chapter 282

51       **59-10-1042 (Effective 01/01/26)**, as last amended by Laws of Utah 2023, Chapter 459

52       **59-10-1045 (Effective 01/01/26) (Applies beginning 01/01/25)**, as last amended by Laws  
53       of Utah 2023, Chapter 470

54       **63I-2-259 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Third Special  
55       Session, Chapter 5

56       **63I-2-263 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Third Special  
57       Session, Chapter 5

58   ENACTS:

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

60       **59-1-1802 (Effective 01/01/26)**, Utah Code Annotated 1953

61       **59-10-1102.2 (Effective 05/07/25) (Applies beginning 01/01/25)**, Utah Code  
62       Annotated 1953

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

Section 1. Section **19-12-203** is amended to read:

**19-12-203 (Effective 01/01/26). Refunds -- Interest.**

- (1) A person [~~who~~] that pays a tax under Title 59, Chapter 12, Sales and Use Tax Act, on a purchase or lease that would otherwise be exempt under Section 19-12-201, except that the director has not issued a certification under Section 19-12-303, may obtain a refund of the tax if:
- (a) the director subsequently issues a certification under Section 19-12-303; and
  - (b) the person files a claim for the refund with the State Tax Commission on or before the earlier of:
    - (i) three years after the date the director issues the certification under Section 19-12-303; or
    - (ii) six years after the date the person pays the tax under Title 59, Chapter 12, Sales and Use Tax Act.
- (2) A person [~~who~~] that pays a tax under Title 59, Chapter 12, Sales and Use Tax Act, on a purchase or lease that is exempt under Section 19-12-201, may obtain a refund of the tax if the person files a claim for the refund with the State Tax Commission within three years after the date the person pays the tax under Title 59, Chapter 12, Sales and Use Tax Act.
- (3)(a) If a person files a claim for a refund of taxes under Subsection (1) within 180 days after the date the director issues a certification under Section 19-12-303, interest shall be added to the amount of the refund the State Tax Commission grants:
- (i) at the interest rate [~~prescribed~~] and, except as provided in Subsection (3)(a)(ii), in the manner provided in Section 59-1-402; and
  - (ii) beginning on the date the person pays the tax under Title 59, Chapter 12, Sales and Use Tax Act, for which the person is claiming the refund.
- (b) If a person files a claim for a refund of taxes under Subsection (1) more than 180 days after the date the director issues a certification under Section 19-12-303, interest shall be added to the amount of the refund the State Tax Commission grants:
- (i) at the interest rate [~~prescribed~~] and, except as provided in Subsection (3)(b)(ii), in the manner provided in Section 59-1-402; and
  - (ii) beginning 30 days after the date the person files the claim for a refund.
- (4) If a person files a claim for a refund of taxes under Subsection (2), interest shall be

97 added to the amount of the refund the State Tax Commission grants:

98 (a) at the interest rate [~~prescribed~~] and, except as provided in Subsection (4)(b), in the  
 99 manner provided in Section 59-1-402; and

100 (b) beginning 30 days after the date the person files the claim for the refund.

101 Section 2. Section **31A-32a-103** is amended to read:

102 **31A-32a-103 (Effective 05/07/25). Establishing medical care savings accounts.**

103 (1) [~~For a taxable year beginning on or after January 1, 1995:~~]

104 (a) [~~an~~] An employer, except as otherwise provided by contract or a collective bargaining  
 105 agreement, may offer a medical care savings account program to the employer's  
 106 employees[~~; or~~] .

107 (b) [~~a~~] A resident individual may establish a medical care savings account program for  
 108 the individual or for the individual's dependents.

109 (2)(a) A contribution into an account made by an employer on behalf of an employee, or  
 110 made by an individual account holder, may not exceed the greater of:

111 (i) \$2,000 in any taxable year; or

112 (ii) an amount of money equal to the sum of all eligible medical expenses paid by the  
 113 employee or account holder for that taxable year on behalf of the employee,  
 114 account holder, or the employee's or account holder's spouse or dependents.

115 (b) For purposes of Subsection (2)(a)(ii), eligible medical expenses are limited to  
 116 expenses in the taxable year that an insurance carrier has applied to the employee's or  
 117 account holder's deductible.

118 (3) An employer that offers a medical care savings account program shall, before making  
 119 any contributions:

120 (a) inform all employees in writing of the fact that these contributions may not be  
 121 deductible under the federal tax laws; and

122 (b) obtain from the employee a written election to participate in the medical care savings  
 123 account program.

124 [~~(4) Except as provided in Sections 31A-32a-105 and 59-10-114, principal contributed to~~  
 125 ~~and interest earned on a medical care savings account and money reimbursed to an~~  
 126 ~~employee or account holder for eligible medical expenses are exempt from taxation.]~~

127 [~~(5)~~] (4)(a) An employer may select a single account administrator for all of the  
 128 employer's employee's medical care savings accounts.

129 (b) If a single account administrator is not selected, an employer may contribute directly  
 130 to the account holder's individual medical care savings account.

131 Section 3. Section **35A-3-105** is amended to read:

132 **35A-3-105 (Effective 05/07/25). Determination of eligibility and responsibility --**

133 **Information from State Tax Commission.**

134 (1) [The] Except as prohibited by federal law, the department may have access to relevant  
135 information contained in the income tax returns of an applicant, a recipient, or a person  
136 who has a duty to support an applicant or recipient, in determining:

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

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

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

145 Section 4. Section **59-1-402** is amended to read:

146 **59-1-402 (Effective 01/01/26). Definitions -- Interest.**

147 (1) As used in this section:

148 (a) "Final judicial decision" means a final ruling by a court of this state or the United  
149 States for which the time for any further review or proceeding has expired.

150 (b) "Retroactive application of a judicial decision" means the application of a final  
151 judicial decision that:

- 152 (i) invalidates a state or federal taxation statute; and
- 153 (ii) requires the state to provide a refund for an overpayment that was made:

154 (A) [~~prior to~~] before the final judicial decision; or

155 (B) during the 180-day period after the final judicial decision.

156 (c)(i) [~~Except as provided in Subsection (1)(c)(ii), "tax]~~ "Tax, fee, or charge" means:

157 (A) a tax, fee, or charge the commission administers under:

- 158 (I) this title;
- 159 (II) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;
- 160 (III) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax  
161 Act;
- 162 (IV) Section 19-6-410.5;
- 163 (V) Section 19-6-714;
- 164 (VI) Section 19-6-805;

- 165 (VII) Section 34A-2-202;
- 166 (VIII) Section 40-6-14; or
- 167 (IX) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
- 168 Charges; or
- 169 (B) another amount that by statute is subject to interest imposed under this section.
- 170 (ii) "Tax, fee, or charge" does not include a tax, fee, or charge imposed under:
- 171 (A) Title 41, Chapter 1a, Motor Vehicle Act, except for Section 41-1a-301;
- 172 (B) Title 41, Chapter 3, Motor Vehicle Business Regulation Act;
- 173 (C) Chapter 2, Property Tax Act, except for Section 59-2-1309;
- 174 (D) Chapter 3, Tax Equivalent Property Act;
- 175 (E) Chapter 4, Privilege Tax; or
- 176 (F) Chapter 13, Part 5, Interstate Agreements.
- 177 (2) Except as otherwise provided for by law, the commission shall calculate the interest rate
- 178 for a calendar year for a tax, fee, or charge [~~administered by the commission shall be~~
- 179 ~~calculated~~] the commission administers based on the federal short-term rate determined
- 180 by the Secretary of the Treasury under Section 6621, Internal Revenue Code, in effect
- 181 for the preceding fourth calendar quarter.
- 182 (3) The interest rate calculation shall be as follows:
- 183 (a) except as provided in Subsection (7), in the case of an overpayment or refund, the
- 184 commission shall calculate simple interest [~~shall be calculated~~] at the rate of two
- 185 percentage points above the federal short-term rate; or
- 186 (b) in the case of an underpayment, deficiency, or delinquency, the commission shall
- 187 calculate simple interest [~~shall be calculated~~] at the rate of two percentage points
- 188 above the federal short-term rate.
- 189 (4) Notwithstanding Subsection (2) or (3), the commission shall determine the interest rate
- 190 applicable to certain installment sales for purposes of a tax under Chapter 7, Corporate
- 191 Franchise and Income Taxes, [~~shall be determined~~] in accordance with Section 453A,
- 192 Internal Revenue Code, as provided in Section 59-7-112.
- 193 (5)(a) Except as provided in Subsection (5)(c), the commission may not pay interest [
- 194 ~~may not be allowed~~] on an overpayment of a tax, fee, or charge if the overpayment of
- 195 the tax, fee, or charge is refunded within:
- 196 (i) 45 days after the last date [~~prescribed~~] provided for filing the return:
- 197 (A) with respect to a tax under Chapter 7, Corporate Franchise and Income Taxes,
- 198 or Chapter 10, Individual Income Tax Act[;] ; and

- 199           (B) if the return is filed electronically; or
- 200           (ii) 90 days after the last date [~~prescribed~~] provided for filing the return:
- 201           (A) with respect to a tax, fee, or charge, except for a tax under Chapter 7,
- 202           Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax
- 203           Act; or
- 204           (B) if the return is not filed electronically.
- 205           (b) Except as provided in Subsection (5)(c), if [~~the return is filed after the last date~~
- 206           ~~prescribed~~] a person files a return after the last date provided for filing the return,
- 207           interest [~~may not be~~] is not allowed on the overpayment if the overpayment is
- 208           refunded within:
- 209           (i) 45 days after the date the return is filed:
- 210           (A) with respect to a tax under Chapter 7, Corporate Franchise and Income Taxes,
- 211           or Chapter 10, Individual Income Tax Act; and
- 212           (B) if the return is filed electronically; or
- 213           (ii) 90 days after the date the return is filed:
- 214           (A) with respect to a tax, fee, or charge, except for a tax under Chapter 7,
- 215           Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax
- 216           Act; or
- 217           (B) if the return is not filed electronically.
- 218           (c)(i) Subject to Subsection [~~(5)(d)~~] (5)(c)(ii), for an amended return, the commission
- 219           shall pay interest on an overpayment [~~is allowed~~] for a time period:
- 220           (A) that begins on the later of[~~;~~]
- 221           [~~(1)~~] the date the original return was filed[~~;~~] or
- 222           [~~(H)~~] the due date for filing the original return not including any extensions for
- 223           filing the original return; and
- 224           (B) that ends on the date the commission receives the amended return.
- 225           (ii)(A) For interest that accrues on or after January 1, 2026, the maximum amount
- 226           of interest authorized by Subsection (5)(c)(i) is \$100 per calendar year.
- 227           (B) Subsection (5)(c)(ii)(A) does not apply to an overpayment provided to a
- 228           federally recognized tribe or an overpayment resulting from commission error.
- 229           [~~(ii)~~] (iii) For an amended return filed electronically with respect to a tax under
- 230           Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual
- 231           Income Tax Act, the commission shall pay interest on an overpayment [~~is allowed~~]
- 232           if the commission does not process a refund of the overpayment within a 45-day

233 period after the date the commission receives the amended return, for a time  
234 period:

235 (A) that begins 46 days after the commission receives the amended return; and  
236 (B) that ends on the date that the commission completes processing the refund of  
237 the overpayment.

238 ~~[(iii)]~~ (iv) For an amended return not filed electronically or with respect to any tax,  
239 fee, or charge not described in Subsection ~~[(5)(e)(ii)]~~ (5)(c)(iii), the commission  
240 shall pay interest on an overpayment ~~[is allowed]~~ if the commission does not  
241 process a refund of the overpayment within a 90-day period after the date the  
242 commission receives the amended return, for a time period:

243 (A) that begins 91 days after the commission receives the amended return; and  
244 (B) that ends on the date that the commission completes processing the refund of  
245 the overpayment.

246 ~~[(d)(i) This Subsection (5)(d) applies to interest on an overpayment under~~  
247 ~~Subsection (5)(e)(i) in which:]~~

248 ~~[(A) the amount of interest accruing on the overpayment on or after January 1,~~  
249 ~~2025, exceeds \$200 in any calendar year during the time period described in~~  
250 ~~Subsection (5)(e)(i); and]~~

251 ~~[(B) the amount of the overpayment exceeds 30% of the taxpayer's total tax~~  
252 ~~liability as originally reported for the tax, fee, or charge to which the~~  
253 ~~overpayment applies during the time period described in Subsection (5)(e)(i).]~~

254 ~~[(ii) This Subsection (5)(d) does not apply to:]~~

255 ~~[(A) an overpayment provided to a federally-recognized tribe; or]~~  
256 ~~[(B) an overpayment resulting from commission error.]~~

257 ~~[(iii) The annual interest rate imposed on an overpayment described in Subsection~~  
258 ~~(5)(d)(i) shall be calculated at the rate of two percentage points below the federal~~  
259 ~~short-term rate.]~~

260 ~~[(iv) Notwithstanding Subsection (5)(d)(iii), for an overpayment described in~~  
261 ~~Subsection (5)(d)(i):]~~

262 ~~[(A) the interest rate imposed on the overpayment shall be a rate of no less than~~  
263 ~~0% and no more than 3%; and]~~

264 ~~[(B) the amount of interest accruing in a calendar year for an overpayment may~~  
265 ~~not be less than \$200, unless the amount of interest that would have accrued~~  
266 ~~during the calendar year is less than \$200 when calculated using the interest~~



267 rate described in Subsection (3).]

268 (6) [~~Interest on any underpayment, deficiency, or delinquency of a tax, fee, or charge shall~~  
 269 ~~be computed~~] The commission shall compute interest on any underpayment, deficiency,  
 270 or delinquency of a tax, fee, or charge from the time the original return is due, excluding  
 271 any filing or payment extensions, to the date the payment is received.

272 (7) [~~Interest on a refund relating to a tax, fee, or charge may not be paid on any overpayment~~]  
 273 The commission may not pay interest on a refund relating to an overpayment of a tax,  
 274 fee, or charge that arises from a statute that is determined to be invalid under state or  
 275 federal law or declared unconstitutional under the constitution of the United States or  
 276 Utah if the basis for the refund is the retroactive application of a judicial decision  
 277 upholding the claim of unconstitutionality or the invalidation of a statute.

278 Section 5. Section **59-1-403** is amended to read:

279 **59-1-403 (Effective 05/07/25). Confidentiality -- Exceptions -- Penalty --**

280 **Application to property tax.**

281 (1) As used in this section:

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

283 (i) the commission administers under:

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

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

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

288 (D) Section 19-6-805;

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

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

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

294 (b) "Qualifying jurisdiction" means:

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

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

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

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

300 (i) a tax commissioner;

- 301 (ii) an agent, clerk, or other officer or employee of the commission; or  
302 (iii) a representative, agent, clerk, or other officer or employee of any county, city, or  
303 town.
- 304 (b) An official charged with the custody of a return filed with the commission is not  
305 required to produce the return or evidence of anything contained in the return in any  
306 action or proceeding in any court, except:
- 307 (i) in accordance with judicial order;  
308 (ii) on behalf of the commission in any action or proceeding under:  
309 (A) this title; or  
310 (B) other law under which persons are required to file returns with the  
311 commission;
- 312 (iii) on behalf of the commission in any action or proceeding to which the  
313 commission is a party; or  
314 (iv) on behalf of any party to any action or proceeding under this title if the report or  
315 facts shown by the return are directly involved in the action or proceeding.
- 316 (c) Notwithstanding Subsection (2)(b), a court may require the production of, and may  
317 admit in evidence, any portion of a return or of the facts shown by the return, as are  
318 specifically pertinent to the action or proceeding.
- 319 (3) This section does not prohibit:
- 320 (a) a person or that person's duly authorized representative from receiving a copy of any  
321 return or report filed in connection with that person's own tax;
- 322 (b) the publication of statistics as long as the statistics are classified to prevent the  
323 identification of particular reports or returns; and
- 324 (c) the inspection by the attorney general or other legal representative of the state of the  
325 report or return of any taxpayer:
- 326 (i) who brings action to set aside or review a tax based on the report or return;  
327 (ii) against whom an action or proceeding is contemplated or has been instituted  
328 under this title; or  
329 (iii) against whom the state has an unsatisfied money judgment.
- 330 (4)(a) Notwithstanding Subsection (2) and for purposes of administration, the  
331 commission may by rule, made in accordance with Title 63G, Chapter 3, Utah  
332 Administrative Rulemaking Act, provide for a reciprocal exchange of information  
333 with:
- 334 (i) the United States Internal Revenue Service; or

- 335 (ii) the revenue service of any other state.
- 336 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and  
337 corporate franchise tax, the commission may by rule, made in accordance with Title  
338 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered  
339 from returns and other written statements with the federal government, any other  
340 state, any of the political subdivisions of another state, or any political subdivision of  
341 this state, except as limited by Sections 59-12-209 and 59-12-210, if the political  
342 subdivision, other state, or the federal government grant substantially similar  
343 privileges to this state.
- 344 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and  
345 corporate franchise tax, the commission may by rule, in accordance with Title 63G,  
346 Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of  
347 information concerning the identity and other information of taxpayers who have  
348 failed to file tax returns or to pay any tax due.
- 349 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the  
350 Division of Environmental Response and Remediation, as defined in Section  
351 19-6-402, as requested by the director of the Division of Environmental Response  
352 and Remediation, any records, returns, or other information filed with the  
353 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section  
354 19-6-410.5 regarding the environmental assurance program participation fee.
- 355 (e) Notwithstanding Subsection (2), at the request of any person the commission shall  
356 provide that person sales and purchase volume data reported to the commission on a  
357 report, return, or other information filed with the commission under:
- 358 (i) Chapter 13, Part 2, Motor Fuel; or  
359 (ii) Chapter 13, Part 4, Aviation Fuel.
- 360 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,  
361 as defined in Section 59-22-202, the commission shall report to the manufacturer:
- 362 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the  
363 manufacturer and reported to the commission for the previous calendar year under  
364 Section 59-14-407; and  
365 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the  
366 manufacturer for which a tax refund was granted during the previous calendar  
367 year under Section 59-14-401 and reported to the commission under Subsection  
368 59-14-401(1)(a)(v).

- 369 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,  
370 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is  
371 prohibited from selling cigarettes to consumers within the state under Subsection  
372 59-14-210(2).
- 373 (h) Notwithstanding Subsection (2), the commission may:
- 374 (i) provide to the Division of Consumer Protection within the Department of  
375 Commerce and the attorney general data:
- 376 (A) reported to the commission under Section 59-14-212; or  
377 (B) related to a violation under Section 59-14-211; and
- 378 (ii) upon request, provide to any person data reported to the commission under  
379 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 380 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee  
381 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's  
382 Office of Planning and Budget, provide to the committee or office the total amount of [  
383 revenues] revenue collected by the commission under Chapter 24, Radioactive Waste  
384 Facility Tax Act, for the time period specified by the committee or office.
- 385 (j) Notwithstanding Subsection (2), the commission shall make the directory required by  
386 Section 59-14-603 available for public inspection.
- 387 (k) Notwithstanding Subsection (2), the commission may share information with federal,  
388 state, or local agencies as provided in Subsection 59-14-606(3).
- 389 (l)(i) Notwithstanding Subsection (2), the commission shall provide the Office of  
390 Recovery Services within the Department of Health and Human Services any  
391 relevant information obtained from a return filed under Chapter 10, Individual  
392 Income Tax Act, regarding a taxpayer who has become obligated to the Office of  
393 Recovery Services.
- 394 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office  
395 of Recovery Services to any other state's child support collection agency involved  
396 in enforcing that support obligation.
- 397 (m)(i) Notwithstanding Subsection (2), upon request from the state court  
398 administrator, the commission shall provide to the state court administrator, the  
399 name, address, telephone number, county of residence, and social security number  
400 on resident returns filed under Chapter 10, Individual Income Tax Act.
- 401 (ii) The state court administrator may use the information described in Subsection  
402 (4)(m)(i) only as a source list for the master jury list described in Section

- 403 78B-1-106.
- 404 (n)(i) As used in this Subsection (4)(n):
- 405 (A) "GOEO" means the Governor's Office of Economic Opportunity created in  
406 Section 63N-1a-301.
- 407 (B) "Income tax information" means information gained by the commission that is  
408 required to be attached to or included in a return filed with the commission  
409 under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10,  
410 Individual Income Tax Act.
- 411 (C) "Other tax information" means information gained by the commission that is  
412 required to be attached to or included in a return filed with the commission  
413 except for a return filed under Chapter 7, Corporate Franchise and Income  
414 Taxes, or Chapter 10, Individual Income Tax Act.
- 415 (D) "Tax information" means income tax information or other tax information.
- 416 (ii)(A) Notwithstanding Subsection (2) and except as provided in Subsection  
417 (4)(n)(ii)(B) or (C), the commission shall at the request of GOEO provide to  
418 GOEO all income tax information.
- 419 (B) For purposes of a request for income tax information made under Subsection  
420 (4)(n)(ii)(A), GOEO may not request and the commission may not provide to  
421 GOEO a person's address, name, social security number, or taxpayer  
422 identification number.
- 423 (C) In providing income tax information to GOEO, the commission shall in all  
424 instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).
- 425 (iii)(A) Notwithstanding Subsection (2) and except as provided in Subsection  
426 (4)(n)(iii)(B), the commission shall at the request of GOEO provide to GOEO  
427 other tax information.
- 428 (B) Before providing other tax information to GOEO, the commission shall redact  
429 or remove any name, address, social security number, or taxpayer identification  
430 number.
- 431 (iv) GOEO may provide tax information received from the commission in accordance  
432 with this Subsection (4)(n) only:
- 433 (A) as a fiscal estimate, fiscal note information, or statistical information; and  
434 (B) if the tax information is classified to prevent the identification of a particular  
435 return.
- 436 (v)(A) A person may not request tax information from GOEO under Title 63G,

- 437 Chapter 2, Government Records Access and Management Act, or this section,  
438 if GOEO received the tax information from the commission in accordance with  
439 this Subsection (4)(n).
- 440 (B) GOEO may not provide to a person that requests tax information in  
441 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax  
442 information GOEO provides in accordance with Subsection (4)(n)(iv).
- 443 (o) Notwithstanding Subsection (2), the commission may provide to the governing board  
444 of the agreement or a taxing official of another state, the District of Columbia, the  
445 United States, or a territory of the United States:
- 446 (i) the following relating to an agreement sales and use tax:
- 447 (A) information contained in a return filed with the commission;  
448 (B) information contained in a report filed with the commission;  
449 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or  
450 (D) a document filed with the commission; or
- 451 (ii) a report of an audit or investigation made with respect to an agreement sales and  
452 use tax.
- 453 (p) Notwithstanding Subsection (2), the commission may provide information  
454 concerning a taxpayer's state income tax return or state income tax withholding  
455 information to the Driver License Division if the Driver License Division:
- 456 (i) requests the information; and  
457 (ii) provides the commission with a signed release form from the taxpayer allowing  
458 the Driver License Division access to the information.
- 459 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah  
460 Communications Authority, or a division of the Utah Communications Authority, the  
461 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and  
462 63H-7a-502.
- 463 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah  
464 Educational Savings Plan information related to a resident or nonresident individual's  
465 contribution to a Utah Educational Savings Plan account as designated on the  
466 resident or nonresident's individual income tax return as provided under Section  
467 59-10-1313.
- 468 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under  
469 Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility  
470 worker with the Department of Health and Human Services or its designee with the

- 471 adjusted gross income of an individual if:
- 472 (i) an eligibility worker with the Department of Health and Human Services or its  
473 designee requests the information from the commission; and
- 474 (ii) the eligibility worker has complied with the identity verification and consent  
475 provisions of Sections 26B-3-106 and 26B-3-903.
- 476 (t) Notwithstanding Subsection (2), the commission may provide to a county, as  
477 determined by the commission, information declared on an individual income tax  
478 return in accordance with Section 59-10-103.1 that relates to eligibility to claim a  
479 residential exemption authorized under Section 59-2-103.
- 480 (u) Notwithstanding Subsection (2), the commission shall provide a report regarding any  
481 access line provider that is over 90 days delinquent in payment to the commission of  
482 amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid  
483 Wireless Telecommunications Service Charges, to the board of the Utah  
484 Communications Authority created in Section 63H-7a-201.
- 485 (v) Notwithstanding Subsection (2), the commission shall provide the Department of  
486 Environmental Quality a report on the amount of tax paid by a radioactive waste  
487 facility for the previous calendar year under Section 59-24-103.5.
- 488 (w) Notwithstanding Subsection (2), the commission may, upon request, provide to the  
489 Department of Workforce Services any information received under Chapter 10, Part  
490 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce  
491 Services.
- 492 (x) Notwithstanding Subsection (2), the commission may provide the Public Service  
493 Commission or the Division of Public Utilities information related to a seller that  
494 collects and remits to the commission a charge described in Subsection 69-2-405(2),  
495 including the seller's identity and the number of charges described in Subsection  
496 69-2-405(2) that the seller collects.
- 497 (y)(i) Notwithstanding Subsection (2), the commission shall provide to each  
498 qualifying jurisdiction the collection data necessary to verify the revenue collected  
499 by the commission for a distributed tax, fee, or charge collected within the  
500 qualifying jurisdiction.
- 501 (ii) In addition to the information provided under Subsection (4)(y)(i), the  
502 commission shall provide a qualifying jurisdiction with copies of returns and other  
503 information relating to a distributed tax, fee, or charge collected within the  
504 qualifying jurisdiction.

- 505 (iii)(A) To obtain the information described in Subsection (4)(y)(ii), the chief  
506 executive officer or the chief executive officer's designee of the qualifying  
507 jurisdiction shall submit a written request to the commission that states the  
508 specific information sought and how the qualifying jurisdiction intends to use  
509 the information.
- 510 (B) The information described in Subsection (4)(y)(ii) is available only in official  
511 matters of the qualifying jurisdiction.
- 512 (iv) Information that a qualifying jurisdiction receives in response to a request under  
513 this subsection is:
- 514 (A) classified as a private record under Title 63G, Chapter 2, Government Records  
515 Access and Management Act; and
- 516 (B) subject to the confidentiality requirements of this section.
- 517 (z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic  
518 Beverage Services Commission, upon request, with taxpayer status information  
519 related to state tax obligations necessary to comply with the requirements described  
520 in Section 32B-1-203.
- 521 (aa) Notwithstanding Subsection (2), the commission shall inform the Department of  
522 Workforce Services, as soon as practicable, whether an individual claimed and is  
523 entitled to claim a federal earned income tax credit for the year requested by the  
524 Department of Workforce Services if:
- 525 (i) the Department of Workforce Services requests this information; and
- 526 (ii) the commission has received the information release described in Section  
527 35A-9-604.
- 528 (bb)(i) As used in this Subsection (4)(bb), "unclaimed property administrator" means  
529 the administrator or the administrator's agent, as those terms are defined in Section  
530 67-4a-102.
- 531 (ii)(A) Notwithstanding Subsection (2), upon request from the unclaimed property  
532 administrator and to the extent allowed under federal law, the commission shall  
533 provide the unclaimed property administrator the name, address, telephone  
534 number, county of residence, and social security number or federal employer  
535 identification number on any return filed under Chapter 7, Corporate Franchise  
536 and Income Taxes, or Chapter 10, Individual Income Tax Act.
- 537 (B) The unclaimed property administrator may use the information described in  
538 Subsection (4)(bb)(ii)(A) only for the purpose of returning unclaimed property



- 539 to the property's owner in accordance with Title 67, Chapter 4a, Revised  
540 Uniform Unclaimed Property Act.
- 541 (iii) The unclaimed property administrator is subject to the confidentiality provisions  
542 of this section with respect to any information the unclaimed property  
543 administrator receives under this Subsection (4)(bb).
- 544 (cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a  
545 taxpayer's state individual income tax information to a program manager of the Utah  
546 Fits All Scholarship Program under Section 53F-6-402 if:
- 547 (i) the taxpayer consents in writing to the disclosure;
- 548 (ii) the taxpayer's written consent includes the taxpayer's name, social security  
549 number, and any other information the commission requests that is necessary to  
550 verify the identity of the taxpayer; and
- 551 (iii) the program manager provides the taxpayer's written consent to the commission.
- 552 (dd) Notwithstanding Subsection (2), the commission may provide to the Division of  
553 Finance within the Department of Government Operations any information necessary  
554 to facilitate a payment from the commission to a taxpayer, including:
- 555 (i) the name of the taxpayer entitled to the payment or any other person legally  
556 authorized to receive the payment;
- 557 (ii) the taxpayer identification number of the taxpayer entitled to the payment;
- 558 (iii) the payment identification number and amount of the payment;
- 559 (iv) the tax year to which the payment applies and date on which the payment is due;
- 560 (v) a mailing address to which the payment may be directed; and
- 561 (vi) information regarding an account at a depository institution to which the  
562 payment may be directed, including the name of the depository institution, the  
563 type of account, the account number, and the routing number for the account.
- 564 (ee) Notwithstanding Subsection (2), the commission shall provide the total amount of [  
565 revenues] revenue collected by the commission under Subsection 59-5-202(5):
- 566 (i) at the request of a committee of the Legislature, the Office of the Legislative  
567 Fiscal Analyst, or the Governor's Office of Planning and Budget, to the committee  
568 or office for the time period specified by the committee or office; and
- 569 (ii) to the Division of Finance for purposes of the Division of Finance administering  
570 Subsection 59-5-202(5).
- 571 (ff) Notwithstanding Subsection (2), the commission may provide the Department of  
572 Agriculture and Food with information from a return filed in accordance with

- 573 Chapter 31, Cannabinoid Licensing and Tax Act.
- 574 (gg) Notwithstanding Subsection (2), the commission shall provide the Department of
- 575 Workforce Services with the information described in Section 35A-3-105.
- 576 (5)(a) Each report and return shall be preserved for at least three years.
- 577 (b) After the three-year period provided in Subsection (5)(a) the commission may
- 578 destroy a report or return.
- 579 (6)(a) Any individual who violates this section is guilty of a class A misdemeanor.
- 580 (b) If the individual described in Subsection (6)(a) is an officer or employee of the state,
- 581 the individual shall be dismissed from office and be disqualified from holding public
- 582 office in this state for a period of five years thereafter.
- 583 (c) Notwithstanding Subsection (6)(a) or (b), GOEO, when requesting information in
- 584 accordance with Subsection (4)(n)(iii), or an individual who requests information in
- 585 accordance with Subsection (4)(n)(v):
- 586 (i) is not guilty of a class A misdemeanor; and
- 587 (ii) is not subject to:
- 588 (A) dismissal from office in accordance with Subsection (6)(b); or
- 589 (B) disqualification from holding public office in accordance with Subsection
- 590 (6)(b).
- 591 (d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the
- 592 Office of the Legislative Auditor General in accordance with Title 36, Chapter 12,
- 593 Legislative Organization, an individual described in Subsection (2):
- 594 (i) is not guilty of a class A misdemeanor; and
- 595 (ii) is not subject to:
- 596 (A) dismissal from office in accordance with Subsection (6)(b); or
- 597 (B) disqualification from holding public office in accordance with Subsection
- 598 (6)(b).
- 599 (7) Except as provided in Section 59-1-404, this part does not apply to the property tax.

600 Section 6. Section **59-1-1801** is enacted to read:

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

602 **59-1-1801 (Effective 01/01/26). Definitions.**

603 As used in this part, "payment settlement entity" means the same as that term is defined

604 in 26 U.S.C. Sec. 6050W.

605 Section 7. Section **59-1-1802** is enacted to read:

606 **59-1-1802 (Effective 01/01/26). Reporting by payment settlement entity.**

607 A payment settlement entity that is required to file a return in accordance with 26 U.S.C.  
 608 Sec. 6050W shall file a return containing the same information with the commission:  
 609 (1) electronically;  
 610 (2) in a format approved by the commission; and  
 611 (3) within 30 days after the day on which the payment settlement entity is required to file a  
 612 return with the Internal Revenue Service.

613 Section 8. Section **59-7-614** is amended to read:

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

616 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

631 (B) a biomass system;

632 (C) a direct use geothermal system;

633 (D) a geothermal electricity system;

634 (E) a geothermal heat pump system;

635 (F) a hydroenergy system;

636 (G) a passive solar system; or

637 (H) a wind system;

638 (ii) located in the state; and

639 (iii) used:

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

- 641 (B) as a commercial enterprise.
- 642 (e) "Commercial enterprise" means an entity, the purpose of which is to produce:
- 643 (i) electrical, mechanical, or thermal energy for sale from a commercial energy
- 644 system; or
- 645 (ii) hydrogen for sale from a hydrogen production system.
- 646 (f)(i) "Commercial unit" means a building or structure, other than a residence, that an
- 647 entity uses to transact business.
- 648 (ii) Notwithstanding Subsection (1)(f)(i):
- 649 (A) with respect to an active solar system used for agricultural water pumping or a
- 650 wind system, each individual energy generating device is considered to be a
- 651 commercial unit; or
- 652 (B) if an energy system is the building or structure that an entity uses to transact
- 653 business, a commercial unit is the complete energy system itself.
- 654 (g) "Direct use geothermal system" means a system of apparatus and equipment that
- 655 enables the direct use of geothermal energy to meet energy needs, including heating a
- 656 building, an industrial process, and aquaculture.
- 657 (h) "Geothermal electricity" means energy that is:
- 658 (i) contained in heat that continuously flows outward from the earth; and
- 659 (ii) used as a sole source of energy to produce electricity.
- 660 (i) "Geothermal energy" means energy generated by heat that is contained in the earth.
- 661 (j) "Geothermal heat pump system" means a system of apparatus and equipment that:
- 662 (i) enables the use of thermal properties contained in the earth at temperatures well
- 663 below 100 degrees Fahrenheit; and
- 664 (ii) helps meet heating and cooling needs of a structure.
- 665 (k) "Hydroenergy system" means a system of apparatus and equipment that is capable of:
- 666 (i) intercepting and converting kinetic water energy into electrical or mechanical
- 667 energy; and
- 668 (ii) transferring this form of energy by separate apparatus to the point of use or
- 669 storage.
- 670 (l) "Hydrogen production system" means a system of apparatus and equipment, located
- 671 in this state, that uses:
- 672 (i) electricity from a clean energy source to create hydrogen gas from water,
- 673 regardless of whether the clean energy source is at a separate facility or the same
- 674 facility as the system of apparatus and equipment; or

- 675 (ii) uses renewable natural gas to produce hydrogen gas.
- 676 (m) "Office" means the Office of Energy Development created in Section 79-6-401.
- 677 (n)(i) "Passive solar system" means a direct thermal system that utilizes the structure  
678 of a building and the structure's operable components to provide for collection,  
679 storage, and distribution of heating or cooling during the appropriate times of the  
680 year by utilizing the climate resources available at the site.
- 681 (ii) "Passive solar system" includes those portions and components of a building that  
682 are expressly designed and required for the collection, storage, and distribution of  
683 solar energy.
- 684 (o) "Photovoltaic system" means an active solar system that generates electricity from  
685 sunlight.
- 686 (p)(i) "Principal recovery portion" means the portion of a lease payment that  
687 constitutes the cost a person incurs in acquiring a commercial energy system.
- 688 (ii) "Principal recovery portion" does not include:
- 689 (A) an interest charge; or  
690 (B) a maintenance expense.
- 691 (q) "Residential energy system" means the following used to supply energy to or for a  
692 residential unit:
- 693 (i) an active solar system;  
694 (ii) a biomass system;  
695 (iii) a direct use geothermal system;  
696 (iv) a geothermal heat pump system;  
697 (v) a hydroenergy system;  
698 (vi) a passive solar system; or  
699 (vii) a wind system.
- 700 (r)(i) "Residential unit" means a house, condominium, apartment, or similar dwelling  
701 unit that:
- 702 (A) is located in the state; and  
703 (B) serves as a dwelling for a person, group of persons, or a family.
- 704 (ii) "Residential unit" does not include property subject to a fee under:
- 705 (A) Section 59-2-405;  
706 (B) Section 59-2-405.1;  
707 (C) Section 59-2-405.2;  
708 (D) Section 59-2-405.3; or

- 709 (E) Section 72-10-110.5.
- 710 (s) "Wind system" means a system of apparatus and equipment that is capable of:
- 711 (i) intercepting and converting wind energy into mechanical or electrical energy; and
- 712 (ii) transferring these forms of energy by a separate apparatus to the point of use,
- 713 sale, or storage.
- 714 (2) A taxpayer may claim an energy system tax credit as provided in this section against a
- 715 tax due under this chapter for a taxable year.
- 716 (3)(a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a
- 717 nonrefundable tax credit under this Subsection (3) with respect to a residential unit
- 718 the taxpayer owns or uses if:
- 719 (i) the taxpayer:
- 720 (A) purchases and completes a residential energy system to supply all or part of
- 721 the energy required for the residential unit; or
- 722 (B) participates in the financing of a residential energy system to supply all or part
- 723 of the energy required for the residential unit; and
- 724 (ii) the taxpayer obtains a written certification from the office in accordance with
- 725 Subsection (8).
- 726 (b)(i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection
- 727 (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each
- 728 residential energy system installed with respect to each residential unit the
- 729 taxpayer owns or uses.
- 730 (ii) A tax credit under this Subsection (3) may include installation costs.
- 731 (iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year
- 732 in which the residential energy system is completed and placed in service.
- 733 (iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax
- 734 liability under this chapter for a taxable year, the taxpayer may carry forward the
- 735 amount of the tax credit exceeding the liability for a period that does not exceed
- 736 the next four taxable years.
- 737 (c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
- 738 residential energy system, other than a photovoltaic system, may not exceed \$2,000
- 739 per residential unit.
- 740 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
- 741 photovoltaic system may not exceed:
- 742 (i) for a system installed on or after January 1, 2018, but on or before December 31,

- 743 2020, \$1,600;
- 744 (ii) for a system installed on or after January 1, 2021, but on or before December 31,
- 745 2021, \$1,200;
- 746 (iii) for a system installed on or after January 1, 2022, but on or before December 31,
- 747 2022, \$800;
- 748 (iv) for a system installed on or after January 1, 2023, but on or before December 31,
- 749 2023, \$400; and
- 750 (v) for a system installed on or after January 1, 2024, \$0.
- 751 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the
- 752 tax credit under this Subsection (3):
- 753 (i) the taxpayer may assign the tax credit to the other person; and
- 754 (ii)(A) if the other person files a return under this chapter, the other person may
- 755 claim the tax credit under this section as if the other person had met the
- 756 requirements of this section to claim the tax credit; or
- 757 (B) if the other person files a return under Chapter 10, Individual Income Tax Act,
- 758 the other person may claim the tax credit under Section 59-10-1014 as if the
- 759 other person had met the requirements of Section 59-10-1014 to claim the tax
- 760 credit.
- 761 (4)(a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
- 762 refundable tax credit under this Subsection (4) with respect to a commercial energy
- 763 system if:
- 764 (i) the commercial energy system does not use:
- 765 (A) wind, geothermal electricity, solar, or biomass equipment capable of
- 766 producing a total of 660 or more kilowatts of electricity; or
- 767 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 768 (ii) the taxpayer purchases or participates in the financing of the commercial energy
- 769 system;
- 770 (iii)(A) the commercial energy system supplies all or part of the energy required
- 771 by commercial units owned or used by the taxpayer; or
- 772 (B) the taxpayer sells all or part of the energy produced by the commercial energy
- 773 system as a commercial enterprise;
- 774 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
- 775 for hydrogen production using electricity for which the taxpayer claims a tax
- 776 credit under this Subsection (4); and

- 777 (v) the taxpayer obtains a written certification from the office in accordance with  
778 Subsection (8).
- 779 (b)(i) Subject to Subsections (4)(b)(ii) through (iv), the tax credit is equal to 10% of  
780 the reasonable costs of the commercial energy system.
- 781 (ii) A tax credit under this Subsection (4) may include installation costs.
- 782 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (4) for the  
783 taxable year in which the commercial energy system is completed and placed in  
784 service.
- 785 (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4)  
786 may not exceed \$50,000 per commercial unit.
- 787 (c)(i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a  
788 commercial energy system installed on a commercial unit may claim a tax credit  
789 under this Subsection (4) if the taxpayer confirms that the lessor irrevocably elects  
790 not to claim the tax credit.
- 791 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this  
792 Subsection (4) only the principal recovery portion of the lease payments.
- 793 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this  
794 Subsection (4) for a period that does not exceed seven taxable years after the day  
795 on which the lease begins, as stated in the lease agreement.
- 796 (5)(a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a  
797 refundable tax credit under this Subsection (5) with respect to a commercial energy  
798 system if:
- 799 (i) the commercial energy system uses wind, geothermal electricity, or biomass  
800 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 801 (ii)(A) the commercial energy system supplies all or part of the energy required by  
802 commercial units owned or used by the taxpayer; or
- 803 (B) the taxpayer sells all or part of the energy produced by the commercial energy  
804 system as a commercial enterprise;
- 805 (iii) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)  
806 for hydrogen production using electricity for which the taxpayer claims a tax  
807 credit under this Subsection (5); and
- 808 (iv) the taxpayer obtains a written certification from the office in accordance with  
809 Subsection (8).
- 810 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal



- 811 to the product of:
- 812 (A) 0.35 cents; and
- 813 (B) the kilowatt hours of electricity produced and used or sold during the taxable
- 814 year.
- 815 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) for
- 816 production occurring during a period of 48 months beginning with the month in
- 817 which the commercial energy system is placed in commercial service.
- 818 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
- 819 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the
- 820 lessor irrevocably elects not to claim the tax credit.
- 821 (6)(a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
- 822 refundable tax credit as provided in this Subsection (6) if:
- 823 (i) the taxpayer owns a commercial energy system that uses solar equipment capable
- 824 of producing a total of 660 or more kilowatts of electricity;
- 825 (ii)(A) the commercial energy system supplies all or part of the energy required by
- 826 commercial units owned or used by the taxpayer; or
- 827 (B) the taxpayer sells all or part of the energy produced by the commercial energy
- 828 system as a commercial enterprise;
- 829 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed
- 830 and will not claim a tax credit under Subsection (7) for hydrogen production using
- 831 electricity for which a taxpayer claims a tax credit under this Subsection (6); and
- 832 (iv) the taxpayer obtains a written certification from the office in accordance with
- 833 Subsection (8).
- 834 (b)(i) Subject to Subsection (6)(b)(ii), a tax credit under this Subsection (6) is equal
- 835 to the product of:
- 836 (A) 0.35 cents; and
- 837 (B) the kilowatt hours of electricity produced and used or sold during the taxable
- 838 year.
- 839 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for
- 840 production occurring during a period of 48 months beginning with the month in
- 841 which the commercial energy system is placed in commercial service.
- 842 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
- 843 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the
- 844 lessor irrevocably elects not to claim the tax credit.

- 845 (7)(a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7) if:
- 846 (i) the taxpayer owns a hydrogen production system;
- 847 (ii) the hydrogen production system is completed and placed in service on or after
- 848 January 1, 2022;
- 849 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own
- 850 use in commercial units, the hydrogen produced from the hydrogen production
- 851 system;
- 852 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),
- 853 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the
- 854 requirements of this Subsection (7); and
- 855 (v) the taxpayer obtains a written certification from the office in accordance with
- 856 Subsection (8).
- 857 (b)(i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7)
- 858 is equal to the product of:
- 859 (A) \$0.12; and
- 860 (B) the number of kilograms of hydrogen produced during the taxable year.
- 861 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than
- 862 5,600 metric tons of hydrogen per taxable year.
- 863 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for
- 864 production occurring during a period of 48 months beginning with the month in
- 865 which the hydrogen production system is placed in commercial service.
- 866 (8)(a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall
- 867 obtain a written certification from the office.
- 868 (b) The office shall issue a taxpayer a written certification if the office determines that:
- 869 (i) the taxpayer meets the requirements of this section to receive a tax credit; and
- 870 (ii) the residential energy system, the commercial energy system, or the hydrogen
- 871 production system with respect to which the taxpayer seeks to claim a tax credit:
- 872 (A) has been completely installed;
- 873 (B) is a viable system for saving or producing energy from clean resources; and
- 874 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
- 875 energy system, the commercial energy system, or the hydrogen production
- 876 system uses the state's clean and nonrenewable energy resources in an
- 877 appropriate and economic manner.
- 878 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

- 879 office may make rules:
- 880 (i) for determining whether a residential energy system, a commercial energy system,  
881 or a hydrogen production system meets the requirements of Subsection (8)(b)(ii);  
882 and
- 883 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the  
884 reasonable costs of a residential energy system or a commercial energy system, as  
885 an amount per unit of energy production.
- 886 (d) A taxpayer that obtains a written certification from the office shall retain the  
887 certification for the same time period a person is required to keep books and records  
888 under Section 59-1-1406.
- 889 (e) The office shall submit to the commission an electronic list that includes:
- 890 (i) the name and identifying information of each taxpayer to which the office issues a  
891 written certification; and
- 892 (ii) for each taxpayer:
- 893 (A) the amount of the tax credit listed on the written certification; and  
894 (B) the date the clean energy system was installed.
- 895 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
896 commission may make rules to address the certification of a tax credit under this section.
- 897 (10) A tax credit under this section is in addition to any tax credits provided under the laws  
898 or rules and regulations of the United States.
- 899 (11) A taxpayer may not claim or carry forward a tax credit described in this section in a  
900 taxable year during which the taxpayer claims or carries forward a tax credit under  
901 Section 59-7-614.7.
- 902 Section 9. Section **59-7-614.10** is amended to read:
- 903 **59-7-614.10 (Effective 05/07/25) (Applies beginning 01/01/25). Nonrefundable**  
904 **enterprise zone tax credit.**
- 905 (1) As used in this section:
- 906 (a) "Business entity" means a corporation that meets the definition of "business entity"  
907 as that term is defined in Section 63N-2-202.
- 908 (b) "Office" means the Governor's Office of Economic Opportunity created in Section  
909 63N-1a-301.
- 910 (2) Subject to the provisions of this section, for a taxable year beginning before January 1,  
911 2025, a business entity may claim a nonrefundable enterprise zone tax credit as  
912 described in Section 63N-2-213.

- 913 (3) The enterprise zone tax credit under this section is the amount listed as the tax credit  
914 amount on the tax credit certificate that the office issues to the business entity for the  
915 taxable year.
- 916 (4) A business entity may carry forward a tax credit under this section for a period that does  
917 not exceed the next three taxable years, if the amount of the tax credit exceeds the  
918 business entity's tax liability under this chapter for that taxable year.
- 919 (5)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim  
920 Committee shall study the tax credit allowed by this section and make  
921 recommendations concerning whether the tax credit should be continued, modified,  
922 or repealed.
- 923 (b)(i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required  
924 by this Subsection (5), the office shall provide by electronic means the following  
925 information for each calendar year to the Office of the Legislative Fiscal Analyst:
- 926 (A) the amount of tax credits provided in each development zone;
  - 927 (B) the number of new full-time employee positions reported to obtain tax credits  
928 in each development zone;
  - 929 (C) the amount of tax credits awarded for rehabilitating a building in each  
930 development zone;
  - 931 (D) the amount of tax credits awarded for investing in a plant, equipment, or other  
932 depreciable property in each development zone;
  - 933 (E) the information related to the tax credit contained in the office's latest report  
934 under Section 63N-1a-301; and
  - 935 (F) any other information that the Office of the Legislative Fiscal Analyst requests.
- 936 (ii)(A) In providing the information described in Subsection (5)(b)(i), the office  
937 shall redact information that identifies a recipient of a tax credit under this  
938 section.
- 939 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A),  
940 reporting the information described in Subsection (5)(b)(i) might disclose the  
941 identity of a recipient of a tax credit, the office may file a request with the  
942 Revenue and Taxation Interim Committee to provide the information described  
943 in Subsection (5)(b)(i) in the aggregate for all development zones that receive  
944 the tax credit under this section.
- 945 (c) As part of the study required by this Subsection (5), the Office of the Legislative  
946 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a

947 summary and analysis of the information provided to the Office of the Legislative  
948 Fiscal Analyst by the office under Subsection (5)(b).

949 (d) The Revenue and Taxation Interim Committee shall ensure that the  
950 recommendations described in Subsection (5)(a) include an evaluation of:

- 951 (i) the cost of the tax credit to the state;
- 952 (ii) the purpose and effectiveness of the tax credit; and
- 953 (iii) the extent to which the state benefits from the tax credit.

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

955 **59-10-104.1 (Effective 01/01/26). Exemption from taxation.**

956 (1) For purposes of this section:

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

958 (i) adding the individual's adjusted gross income on the individual's federal individual  
959 income tax return for the taxable year and any additions required by Section  
960 59-10-114 for the taxable year; and

961 (ii) subtracting from the amount calculated in accordance with Subsection (1)(a)(i),  
962 any subtractions required by Section 59-10-114 for the taxable year.

963 (b) "Personal exemptions" means the total exemption amount an individual is allowed to  
964 claim for the taxable year under Section 151, Internal Revenue Code, for:

- 965 (i) the individual;
- 966 (ii) the individual's spouse; and
- 967 (iii) the individual's dependents.

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

969 (i) means the standard deduction an individual is allowed to claim for the taxable  
970 year under Section 63, Internal Revenue Code; and

971 (ii) notwithstanding Subsection ~~[(1)(b)(i)]~~ (1)(c)(i), does not include an additional  
972 amount allowed under Section 63(f), Internal Revenue Code, for an individual or  
973 an individual's spouse who is:

- 974 (A) blind; or
- 975 (B) 65 years of age or older.

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

977 from a tax imposed by Section 59-10-104 or 59-10-116 if the individual's ~~[adjusted~~  
978 ~~gross income on the individual's federal individual income tax return for the taxable year]~~  
979 modified adjusted gross income is less than or equal to the sum of the individual's:

980 (a) personal exemptions for that taxable year; and

981 (b) standard deduction for that taxable year.

982 Section 11. Section **59-10-114** is amended to read:

983 **59-10-114 (Effective 01/01/26). Additions to and subtractions from adjusted**  
984 **gross income of an individual.**

985 (1) There shall be added to adjusted gross income of a resident or nonresident individual:

986 (a) a lump sum distribution that the taxpayer does not include in adjusted gross income  
987 on the taxpayer's federal individual income tax return for the taxable year;

988 (b) the amount of a child's income calculated under Subsection (4) that:

989 (i) a parent elects to report on the parent's federal individual income tax return for the  
990 taxable year; and

991 (ii) the parent does not include in adjusted gross income on the parent's federal  
992 individual income tax return for the taxable year;

993 (c)(i) a withdrawal from a medical care savings account and any penalty imposed for  
994 the taxable year if:

995 (A) the resident or nonresident individual does not deduct the amounts on the  
996 resident or nonresident individual's federal individual income tax return under  
997 Section 220, Internal Revenue Code;

998 (B) the withdrawal is subject to Subsections 31A-32a-105(1) and (2); and

999 (C) the withdrawal is subtracted on, or used as the basis for claiming a tax credit  
1000 on, a return the resident or nonresident individual files under this chapter;

1001 (ii) a disbursement required to be added to adjusted gross income in accordance with  
1002 Subsection 31A-32a-105(3); or

1003 (iii) an amount required to be added to adjusted gross income in accordance with  
1004 Subsection 31A-32a-105(5)(c);

1005 (d) the amount withdrawn under Title 53B, Chapter 8a, Utah Educational Savings Plan,  
1006 from the account of a resident or nonresident individual who is an account owner as  
1007 defined in Section 53B-8a-102, for the taxable year for which the amount is  
1008 withdrawn, if that amount withdrawn from the account of the resident or nonresident  
1009 individual who is the account owner:

1010 (i) is not expended for:

1011 (A) higher education costs as defined in Section 53B-8a-102.5; or

1012 (B) a payment or distribution that qualifies as an exception to the additional tax  
1013 for distributions not used for educational expenses provided in Sections 529(c)  
1014 and 530(d), Internal Revenue Code; and

- 1015 (ii) is:
- 1016 (A) subtracted by the resident or nonresident individual:
- 1017 (I) who is the account owner; and
- 1018 (II) on the resident or nonresident individual's return filed under this chapter
- 1019 for a taxable year beginning on or before December 31, 2007; or
- 1020 (B) used as the basis for the resident or nonresident individual who is the account
- 1021 owner to claim a tax credit under Section 59-10-1017;
- 1022 (e) except as provided in Subsection (5), for bonds, notes, and other evidences of
- 1023 indebtedness acquired on or after January 1, 2003, the interest from bonds, notes, and
- 1024 other evidences of indebtedness:
- 1025 (i) issued by one or more of the following entities:
- 1026 (A) a state other than this state;
- 1027 (B) the District of Columbia;
- 1028 (C) a political subdivision of a state other than this state; or
- 1029 (D) an agency or instrumentality of an entity described in Subsections (1)(e)(i)(A)
- 1030 through (C); and
- 1031 (ii) to the extent the interest is not included in adjusted gross income on the taxpayer's
- 1032 federal income tax return for the taxable year;
- 1033 (f) subject to Subsection (2)(c), any distribution received by a resident beneficiary of a
- 1034 resident trust of income that was taxed at the trust level for federal tax purposes, but
- 1035 was subtracted from state taxable income of the trust pursuant to Subsection
- 1036 59-10-202(2)(b);
- 1037 (g) any distribution received by a resident beneficiary of a nonresident trust of
- 1038 undistributed distributable net income realized by the trust on or after January 1,
- 1039 2004, if that undistributed distributable net income was taxed at the trust level for
- 1040 federal tax purposes, but was not taxed at the trust level by any state, with
- 1041 undistributed distributable net income considered to be distributed from the most
- 1042 recently accumulated undistributed distributable net income;
- 1043 (h) any adoption expense:
- 1044 (i) for which a resident or nonresident individual receives reimbursement from
- 1045 another person; and
- 1046 (ii) to the extent to which the resident or nonresident individual subtracts that
- 1047 adoption expense:
- 1048 (A) on a return filed under this chapter for a taxable year beginning on or before

- 1049 December 31, 2007; or
- 1050 (B) from federal taxable income on a federal individual income tax return;
- 1051 (i) the amount of tax paid on income attributed to the individual in accordance with
- 1052 Subsection 59-10-1403.2(2) that is not included in adjusted gross income; and
- 1053 (j) the amount of tax paid:
- 1054 (i) on income attributed to the individual and taxable in this state, that is not included
- 1055 in adjusted gross income;
- 1056 (ii) to another state; and
- 1057 (iii) that the commission determines is substantially similar to the tax imposed under
- 1058 Subsection 59-10-1403.2(2).
- 1059 (2) There shall be subtracted from adjusted gross income of a resident or nonresident
- 1060 individual:
- 1061 (a) the difference between:
- 1062 (i) the interest or a dividend on an obligation or security of the United States or an
- 1063 authority, commission, instrumentality, or possession of the United States, to the
- 1064 extent that interest or dividend is:
- 1065 (A) included in adjusted gross income for federal income tax purposes for the
- 1066 taxable year; and
- 1067 (B) exempt from state income taxes under the laws of the United States; and
- 1068 (ii) any interest on indebtedness incurred or continued to purchase or carry the
- 1069 obligation or security described in Subsection (2)(a)(i);
- 1070 (b) if the conditions of Subsection (3)(a) are met, the amount of income derived by a Ute
- 1071 tribal member:
- 1072 (i) during a time period that the Ute tribal member resides on homesteaded land
- 1073 diminished from the Uintah and Ouray Reservation; and
- 1074 (ii) from a source within the Uintah and Ouray Reservation;
- 1075 (c) an amount received by a resident or nonresident individual or distribution received
- 1076 by a resident or nonresident beneficiary of a resident trust:
- 1077 (i) if that amount or distribution constitutes a refund of taxes imposed by:
- 1078 (A) a state; or
- 1079 (B) the District of Columbia; and
- 1080 (ii) to the extent that amount or distribution is included in adjusted gross income for
- 1081 that taxable year on the federal individual income tax return of the resident or
- 1082 nonresident individual or resident or nonresident beneficiary of a resident trust;



- 1083 (d) the amount of a railroad retirement benefit:
- 1084 (i) paid:
- 1085 (A) in accordance with The Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231
- 1086 et seq.;
- 1087 (B) to a resident or nonresident individual; and
- 1088 (C) for the taxable year; and
- 1089 (ii) to the extent that railroad retirement benefit is included in adjusted gross income
- 1090 on that resident or nonresident individual's federal individual income tax return for
- 1091 that taxable year;
- 1092 (e) an amount:
- 1093 (i) received by an enrolled member of an American Indian tribe; and
- 1094 (ii) to the extent that the state is not authorized or permitted to impose a tax under this
- 1095 part on that amount in accordance with:
- 1096 (A) federal law;
- 1097 (B) a treaty; or
- 1098 (C) a final decision issued by a court of competent jurisdiction;
- 1099 (f) an amount received:
- 1100 (i) for the interest on a bond, note, or other obligation issued by an entity for which
- 1101 state statute provides an exemption of interest on its bonds from state individual
- 1102 income tax;
- 1103 (ii) by a resident or nonresident individual;
- 1104 (iii) for the taxable year; and
- 1105 (iv) to the extent the amount is included in adjusted gross income on the taxpayer's
- 1106 federal income tax return for the taxable year;
- 1107 (g) the amount of all income, including income apportioned to another state, of a
- 1108 nonmilitary spouse of an active duty military member if:
- 1109 (i) both the nonmilitary spouse and the active duty military member are nonresident
- 1110 individuals;
- 1111 (ii) the active duty military member is stationed in Utah;
- 1112 (iii) the nonmilitary spouse is subject to the residency provisions of 50 U.S.C. Sec.
- 1113 4001(a)(2); and
- 1114 (iv) the income is included in adjusted gross income for federal income tax purposes
- 1115 for the taxable year;
- 1116 ~~[(h) for a taxable year beginning on or after January 1, 2019, but beginning on or before~~

- 1117 ~~December 31, 2019, only:]~~
- 1118 ~~[(i) the amount of any FDIC premium paid or incurred by the taxpayer that is~~
- 1119 ~~disallowed as a deduction for federal income tax purposes under Section 162(r),~~
- 1120 ~~Internal Revenue Code, on the taxpayer's 2018 federal income tax return; plus]~~
- 1121 ~~[(ii) the amount of any FDIC premium paid or incurred by the taxpayer that is~~
- 1122 ~~disallowed as a deduction for federal income tax purposes under Section 162(r),~~
- 1123 ~~Internal Revenue Code, for the taxable year;]~~
- 1124 ~~[(i)] (h) [for a taxable year beginning on or after January 1, 2020,] the amount of any~~
- 1125 ~~FDIC premium paid or incurred by the taxpayer that is disallowed as a deduction for~~
- 1126 ~~federal income tax purposes under Section 162(r), Internal Revenue Code, for the~~
- 1127 ~~taxable year;[-and]~~
- 1128 ~~[(j)] (i) an amount of a distribution from a qualified retirement plan under Section 401(a),~~
- 1129 ~~Internal Revenue Code, if:~~
- 1130 ~~(i) the amount of the distribution is included in adjusted gross income on the resident~~
- 1131 ~~or nonresident individual's federal individual income tax return for the taxable~~
- 1132 ~~year; and~~
- 1133 ~~(ii) for the taxable year when the amount of the distribution was contributed to the~~
- 1134 ~~qualified retirement plan, the amount of the distribution:~~
- 1135 ~~(A) was not included in adjusted gross income on the resident or nonresident~~
- 1136 ~~individual's federal individual income tax return for the taxable year; and~~
- 1137 ~~(B) was taxed by another state of the United States, the District of Columbia, or a~~
- 1138 ~~possession of the United States[-]; and~~
- 1139 ~~(j) the amount of any repayment in the current taxable year of social security income~~
- 1140 ~~received in a previous taxable year if:~~
- 1141 ~~(i) the individual claimed a credit for the repayment on the individual's federal~~
- 1142 ~~individual income tax return for the current taxable year; and~~
- 1143 ~~(ii) the individual did not claim a tax credit under Section 59-10-1042 for the taxable~~
- 1144 ~~year in which the individual received the social security income.~~
- 1145 (3)(a) A subtraction for an amount described in Subsection (2)(b) is allowed only if:
- 1146 (i) the taxpayer is a Ute tribal member; and
- 1147 (ii) the governor and the Ute tribe execute and maintain an agreement meeting the
- 1148 requirements of this Subsection (3).
- 1149 (b) The agreement described in Subsection (3)(a):
- 1150 (i) may not:

- 1151 (A) authorize the state to impose a tax in addition to a tax imposed under this  
 1152 chapter;
- 1153 (B) provide a subtraction under this section greater than or different from the  
 1154 subtraction described in Subsection (2)(b); or
- 1155 (C) affect the power of the state to establish rates of taxation; and
- 1156 (ii) shall:
- 1157 (A) provide for the implementation of the subtraction described in Subsection  
 1158 (2)(b);
- 1159 (B) be in writing;
- 1160 (C) be signed by:
- 1161 (I) the governor; and
- 1162 (II) the chair of the Business Committee of the Ute tribe;
- 1163 (D) be conditioned on obtaining any approval required by federal law; and
- 1164 (E) state the effective date of the agreement.
- 1165 (c)(i) The governor shall report to the commission by no later than February 1 of each  
 1166 year regarding whether or not an agreement meeting the requirements of this  
 1167 Subsection (3) is in effect.
- 1168 (ii) If an agreement meeting the requirements of this Subsection (3) is terminated, the  
 1169 subtraction permitted under Subsection (2)(b) is not allowed for taxable years  
 1170 beginning on or after the January 1 following the termination of the agreement.
- 1171 (d) For purposes of Subsection (2)(b) and in accordance with Title 63G, Chapter 3, Utah  
 1172 Administrative Rulemaking Act, the commission may make rules:
- 1173 (i) for determining whether income is derived from a source within the Uintah and  
 1174 Ouray Reservation; and
- 1175 (ii) that are substantially similar to how adjusted gross income derived from Utah  
 1176 sources is determined under Section 59-10-117.
- 1177 (4)(a) For purposes of this Subsection (4), "Form 8814" means:
- 1178 (i) the federal individual income tax Form 8814, Parents' Election To Report Child's  
 1179 Interest and Dividends; or
- 1180 (ii)(A) a form designated by the commission in accordance with Subsection  
 1181 (4)(a)(ii)(B) as being substantially similar to 2000 Form 8814 if for purposes of  
 1182 federal individual income taxes the information contained on 2000 Form 8814  
 1183 is reported on a form other than Form 8814; and
- 1184 (B) for purposes of Subsection (4)(a)(ii)(A) and in accordance with Title 63G,

1185 Chapter 3, Utah Administrative Rulemaking Act, the commission may make  
 1186 rules designating a form as being substantially similar to 2000 Form 8814 if for  
 1187 purposes of federal individual income taxes the information contained on 2000  
 1188 Form 8814 is reported on a form other than Form 8814.

1189 (b) The amount of a child's income added to adjusted gross income under Subsection  
 1190 (1)(b) is equal to the difference between:

1191 (i) the lesser of:

1192 (A) the base amount specified on Form 8814; and

1193 (B) the sum of the following reported on Form 8814:

1194 (I) the child's taxable interest;

1195 (II) the child's ordinary dividends; and

1196 (III) the child's capital gain distributions; and

1197 (ii) the amount not taxed that is specified on Form 8814.

1198 (5) Notwithstanding Subsection (1)(e), interest from bonds, notes, and other evidences of  
 1199 indebtedness issued by an entity described in Subsections (1)(e)(i)(A) through (D) may  
 1200 not be added to adjusted gross income of a resident or nonresident individual if, as  
 1201 annually determined by the commission:

1202 (a) for an entity described in Subsection (1)(e)(i)(A) or (B), the entity and all of the  
 1203 political subdivisions, agencies, or instrumentalities of the entity do not impose a tax  
 1204 based on income on any part of the bonds, notes, and other evidences of indebtedness  
 1205 of this state; or

1206 (b) for an entity described in Subsection (1)(e)(i)(C) or (D), the following do not impose  
 1207 a tax based on income on any part of the bonds, notes, and other evidences of  
 1208 indebtedness of this state:

1209 (i) the entity; or

1210 (ii)(A) the state in which the entity is located; or

1211 (B) the District of Columbia, if the entity is located within the District of  
 1212 Columbia.

1213 Section 12. Section **59-10-510** is amended to read:

1214 **59-10-510 (Effective 01/01/26). Return of electing small business corporation.**

1215 An electing small business corporation, as defined in Section [~~1371(a)(2)~~] 1362, Internal  
 1216 Revenue Code, shall make a return for each taxable year, stating specifically:

1217 (1) the items of the electing small business corporation's gross income and the deductions  
 1218 allowable by Subtitle A, Internal Revenue Code;

- 1219 (2) the names and addresses of all persons owning stock in the electing small business  
 1220 corporation at any time during the taxable year;
- 1221 (3) the number of shares of stock owned by each shareholder at all times during the taxable  
 1222 year to each shareholder;
- 1223 (4) the date of each distribution to a shareholder; and
- 1224 (5) other information as the commission may prescribe by:
- 1225 (a) form; or
- 1226 (b) administrative rule made in accordance with Title 63G, Chapter 3, Utah  
 1227 Administrative Rulemaking Act.
- 1228 Section 13. Section **59-10-1037** is amended to read:
- 1229 **59-10-1037 (Effective 05/07/25) (Applies beginning 01/01/25). Nonrefundable**  
 1230 **enterprise zone tax credit.**
- 1231 (1) As used in this section:
- 1232 (a) "Business entity" means a claimant, estate, or trust that meets the definition of  
 1233 "business entity" as that term is defined in Section 63N-2-202.
- 1234 (b) "Office" means the Governor's Office of Economic Opportunity created in Section  
 1235 63N-1a-301.
- 1236 (2) Subject to the provisions of this section, for a taxable year beginning before January 1,  
 1237 2025, a business entity may claim a nonrefundable enterprise zone tax credit as  
 1238 described in Section 63N-2-213.
- 1239 (3) The enterprise zone tax credit under this section is the amount listed as the tax credit  
 1240 amount on the tax credit certificate that the office issues to the business entity for the  
 1241 taxable year.
- 1242 (4) A business entity may carry forward a tax credit under this section for a period that does  
 1243 not exceed the next three taxable years, if the amount of the tax credit exceeds the  
 1244 business entity's tax liability under this chapter for that taxable year.
- 1245 (5)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim  
 1246 Committee shall study the tax credit allowed by this section and make  
 1247 recommendations concerning whether the tax credit should be continued, modified,  
 1248 or repealed.
- 1249 (b)(i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required  
 1250 by this Subsection (5), the office shall provide by electronic means the following  
 1251 information, if available to the office, for each calendar year to the Office of the  
 1252 Legislative Fiscal Analyst:

- 1253 (A) the amount of tax credits provided in each development zone;
- 1254 (B) the number of new full-time employee positions reported to obtain tax credits
- 1255 in each development zone;
- 1256 (C) the amount of tax credits awarded for rehabilitating a building in each
- 1257 development zone;
- 1258 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
- 1259 depreciable property in each development zone;
- 1260 (E) the information related to the tax credit contained in the office's latest report
- 1261 under Section 63N-1a-306; and
- 1262 (F) other information that the Office of the Legislative Fiscal Analyst requests.
- 1263 (ii)(A) In providing the information described in Subsection (5)(b)(i), the office
- 1264 shall redact information that identifies a recipient of a tax credit under this
- 1265 section.
- 1266 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A),
- 1267 reporting the information described in Subsection (5)(b)(i) might disclose the
- 1268 identity of a recipient of a tax credit, the office may file a request with the
- 1269 Revenue and Taxation Interim Committee to provide the information described
- 1270 in Subsection (5)(b)(i) in the aggregate for all development zones that receive
- 1271 the tax credit under this section.
- 1272 (c) As part of the study required by this Subsection (5), the Office of the Legislative
- 1273 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a
- 1274 summary and analysis of the information provided to the Office of the Legislative
- 1275 Fiscal Analyst by the office under Subsection (5)(b).
- 1276 (d) The Revenue and Taxation Interim Committee shall ensure that the
- 1277 recommendations described in Subsection (5)(a) include an evaluation of:
- 1278 (i) the cost of the tax credit to the state;
- 1279 (ii) the purpose and effectiveness of the tax credit; and
- 1280 (iii) the extent to which the state benefits from the tax credit.
- 1281 Section 14. Section **59-10-1042** is amended to read:
- 1282 **59-10-1042 (Effective 01/01/26). Nonrefundable tax credit for social security**
- 1283 **benefits.**
- 1284 (1) As used in this section:
- 1285 (a) "Head of household filing status" means the same as that term is defined in Section
- 1286 59-10-1018.

- 1287 (b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.
- 1288 (c) "Married filing separately status" means a married individual who:
- 1289 (i) does not file a single federal individual income tax return jointly with that married
- 1290 individual's spouse for the taxable year; and
- 1291 (ii) files a single federal individual income tax return for the taxable year.
- 1292 (d) "Modified adjusted gross income" means the sum of the following for a claimant or,
- 1293 if the claimant's return under this chapter is allowed a joint filing status, the claimant
- 1294 and the claimant's spouse:
- 1295 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
- 1296 this section;
- 1297 (ii) any interest income that is not included in adjusted gross income for the taxable
- 1298 year described in Subsection (1)(d)(i); and
- 1299 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
- 1300 taxable year described in Subsection (1)(d)(i).
- 1301 (e) "Single filing status" means a single individual who files a single federal individual
- 1302 income tax return for the taxable year.
- 1303 (f) "Social security benefit" means an amount received by a claimant as a monthly
- 1304 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.
- 1305 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), each claimant
- 1306 on a return that receives a social security benefit may claim a nonrefundable tax credit
- 1307 against taxes otherwise due under this part equal to the product of:
- 1308 (a) the percentage listed in Subsection 59-10-104(2); and
- 1309 (b) the claimant's social security benefit that is included in adjusted gross income on the
- 1310 claimant's federal income tax return for the taxable year.
- 1311 (3) A claimant may not:
- 1312 (a) carry forward or carry back the amount of a tax credit under this section that exceeds
- 1313 the claimant's tax liability for the taxable year; or
- 1314 (b) claim a tax credit under this section for a taxable year if a tax credit under Section
- 1315 59-10-1019 is claimed on the claimant's return for the same taxable year.
- 1316 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part shall
- 1317 be reduced by \$.025 for each dollar by which modified adjusted gross income for
- 1318 purposes of the return exceeds:
- 1319 (a) for a [~~federal individual income tax~~]return filed under this chapter that is allowed a
- 1320 married filing separately status, \$37,500;

- 1321 (b) for a [~~federal individual income tax~~]return filed under this chapter that is allowed a  
 1322 single filing status, \$45,000;
- 1323 (c) for a [~~federal individual income tax~~]return filed under this chapter that is allowed a  
 1324 head of household filing status, \$75,000; or
- 1325 (d) for a return filed under this chapter that is allowed a joint filing status, \$75,000.
- 1326 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 1327 commission may make rules governing the calculation and method for claiming the tax  
 1328 credit described in this section.

1329 Section 15. Section **59-10-1045** is amended to read:

1330 **59-10-1045 (Effective 01/01/26) (Applies beginning 01/01/25). Nonrefundable tax**  
 1331 **credit for taxes paid by pass-through entity.**

- 1332 (1) As used in this section, "taxed pass-through entity taxpayer" means a resident or  
 1333 nonresident individual who:
- 1334 (a) has income attributed to the individual by a pass-through entity;
- 1335 (b) receives the income described in Subsection (1)(a) after the pass-through entity pays  
 1336 the tax described in Subsection 59-10-1403.2(2); and
- 1337 (c) adds the amount of tax paid on the income described in Subsection (1)(a) to adjusted  
 1338 gross income in accordance with Subsection 59-10-114(1)(i).
- 1339 (2)(a) A taxed pass-through entity taxpayer may claim a nonrefundable tax credit for the  
 1340 taxes imposed under Subsection 59-10-1403.2(2).
- 1341 (b) The tax credit is equal to the amount of the tax paid under Subsection  
 1342 59-10-1403.2(2) by the pass-through entity on the income attributed to the taxed  
 1343 pass-through entity taxpayer.
- 1344 (3)(a) A taxed pass-through entity taxpayer may carry forward the amount of the tax  
 1345 credit that exceeds the taxed pass-through entity taxpayer's tax liability for a period  
 1346 that does not exceed the next [~~five~~] ten taxable years.
- 1347 (b) A taxed pass-through entity taxpayer may not carry back the amount of the tax credit  
 1348 that exceeds the taxed pass-through entity taxpayer's tax liability for the taxable year.

1349 Section 16. Section **59-10-1102.2** is enacted to read:

1350 **59-10-1102.2 (Effective 05/07/25) (Applies beginning 01/01/25). Removal of tax**  
 1351 **credit from tax return and prohibition on claiming a tax credit -- Conditions for removal**  
 1352 **and prohibition on claiming a tax credit -- Commission publishing requirements.**

- 1353 (1) As used in this section, "tax return" means a tax return filed in accordance with this  
 1354 chapter.



- 1355 (2) Beginning two taxable years after the requirements of Subsection (3) are met:  
1356 (a) the commission shall remove a tax credit allowed under this part from each tax return  
1357 on which the tax credit appears; and  
1358 (b) a claimant, estate, or trust filing a tax return may not claim the tax credit.
- 1359 (3) The commission shall remove a tax credit allowed under this part from a tax return and  
1360 a claimant, estate, or trust filing a tax return may not claim the tax credit as provided in  
1361 Subsection (2) if:  
1362 (a) the total amount of the tax credit claimed by all claimants, estates, or trusts filing tax  
1363 returns is less than \$10,000 per year for three consecutive taxable years beginning on  
1364 or after January 1, 2025; and  
1365 (b) fewer than 10 claimants, estates, and trusts per year for the three consecutive taxable  
1366 years described in Subsection (3)(a), file a tax return claiming the tax credit.
- 1367 (4) On or before the November interim meeting of the year after the taxable year in which  
1368 the requirements of Subsection (3) are met, the commission shall report to the Revenue  
1369 and Taxation Interim Committee by electronic means that in accordance with this  
1370 section:  
1371 (a) the commission is required to remove a tax credit from each tax return on which the  
1372 tax credit appears; and  
1373 (b) a claimant, estate, or trust filing a tax return may not claim the tax credit.
- 1374 (5)(a) Within a 30-day period after the day on which the commission makes the report  
1375 required by Subsection (4), the commission shall publish a list in accordance with  
1376 Subsection (5)(b) stating each tax credit that the commission will remove from a  
1377 return on which the tax credit appears.  
1378 (b) The list shall:  
1379 (i) be published on:  
1380 (A) the commission's website; and  
1381 (B) the public legal notice website in accordance with Section 45-1-101;  
1382 (ii) include a statement that:  
1383 (A) the commission is required to remove the tax credit from each return on which  
1384 the tax credit appears; and  
1385 (B) the tax credit may not be claimed on a return;  
1386 (iii) state the taxable year for which the removal described in Subsection (5)(a) takes  
1387 effect; and  
1388 (iv) remain available for viewing and searching until the commission publishes a new

- 1389 list in accordance with this Subsection (5).
- 1390 Section 17. Section **63I-2-259** is amended to read:
- 1391 **63I-2-259 (Effective 05/07/25). Repeal dates: Title 59.**
- 1392 (1) Subsection 59-7-159(3)(b)(iii), referencing Section 59-7-614.10, is repealed December
- 1393 31, 2026.
- 1394 [(1)] (2) Subsection 59-7-610(8), regarding claiming a tax credit in the same taxable year as
- 1395 the targeted business income tax credit, is repealed December 31, 2024.
- 1396 (3) Section 59-7-614.10 is repealed December 31, 2026.
- 1397 [(2)] (4) Subsection 59-7-614.10(5), regarding claiming a tax credit in the same taxable year
- 1398 as the targeted business income tax credit, is repealed December 31, 2024.
- 1399 [(3)] (5) Section 59-7-624, Targeted business income tax credit, is repealed December 31,
- 1400 2024.
- 1401 (6) Subsection 59-10-137(3)(b)(viii), referencing Section 59-10-1037, is repealed
- 1402 December 31, 2026.
- 1403 [(4)] (7) Subsection 59-10-210(2)(b)(vi), regarding Section 59-10-1112, is repealed
- 1404 December 31, 2024.
- 1405 [(5)] (8) Subsection 59-10-1007(8), regarding claiming a tax credit in the same taxable year
- 1406 as the targeted business income tax credit, is repealed December 31, 2024.
- 1407 (9) Section 59-10-1037 is repealed December 31, 2026.
- 1408 [(6)] (10) Subsection 59-10-1037(5), regarding claiming a tax credit in the same taxable
- 1409 year as the targeted business income tax credit, is repealed December 31, 2024.
- 1410 [(7)] (11) Section 59-10-1112, Targeted business income tax credit, is repealed December
- 1411 31, 2024.
- 1412 Section 18. Section **63I-2-263** is amended to read:
- 1413 **63I-2-263 (Effective 05/07/25). Repeal dates: Titles 63A through 63O.**
- 1414 (1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services
- 1415 Procurement Advisory Council is repealed July 1, 2025.
- 1416 (2) Section 63A-17-806, Definitions -- Infant at Work Pilot Program -- Administration --
- 1417 Report, is repealed June 30, 2026.
- 1418 (3) Section 63C-1-103, Appointment and terms of boards, committees, councils, and
- 1419 commissions transitioning on October 1, 2024, or December 31, 2024, is repealed July
- 1420 1, 2025.
- 1421 (4) Section 63C-1-104, Appointment and terms of boards transitioning on October 1, 2024,
- 1422 is repealed January 1, 2025.

- 1423 (5) Title 63C, Chapter 29, Domestic Violence Data Task Force, is repealed October 1, 2024.
- 1424 (6) Subsection 63G-6a-802(1)(e), regarding a procurement for a presidential debate, is  
1425 repealed January 1, 2025.
- 1426 (7) Subsection 63G-6a-802(3)(b)(iii), regarding a procurement for a presidential debate, is  
1427 repealed January 1, 2025.
- 1428 (8) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety  
1429 communications network, is repealed July 1, 2033.
- 1430 (9) Subsection 63J-1-602.2(3), regarding funding the Enterprise Zone Act, is repealed  
1431 December 31, 2026.
- 1432 [~~(9)~~] (10) Subsection 63J-1-602.2(47), regarding appropriations to the State Tax  
1433 Commission for deferral reimbursements, is repealed July 1, 2027.
- 1434 [~~(10)~~] (11) Section 63M-7-221, Expungement working group, is repealed April 30, 2025.
- 1435 [~~(11)~~] (12) Section 63M-7-504, Crime Victim Reparations and Assistance Board --  
1436 Members, is repealed December 31, 2024.
- 1437 [~~(12)~~] (13) Section 63M-7-505, Board and office within Commission on Criminal and  
1438 Juvenile Justice, is repealed December 31, 2024.
- 1439 [~~(13)~~] (14) Title 63M, Chapter 7, Part 6, Utah Council on Victims of Crime, is repealed  
1440 December 31, 2024.
- 1441 [~~(14)~~] (15) Subsection 63N-2-213(12)(a), regarding claiming a tax credit in the same taxable  
1442 year as the targeted business income tax credit, is repealed December 31, 2024.
- 1443 (16) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed December 31, 2026.
- 1444 [~~(15)~~] (17) Title 63N, Chapter 2, Part 3, Targeted Business Income Tax Credit in an  
1445 Enterprise Zone, is repealed December 31, 2024.
- 1446 Section 19. **Effective Date.**
- 1447 (1) Except as provided in Subsection (2), this bill takes effect on May 7, 2025.
- 1448 (2) The actions affecting the following sections take effect for a taxable year beginning on  
1449 or after January 1, 2026:
- 1450 (a) Section 19-12-203 (Effective 01/01/26);
- 1451 (b) Section 59-1-402 (Effective 01/01/26);
- 1452 (c) Section 59-1-1801 (Effective 01/01/26);
- 1453 (d) Section 59-1-1802 (Effective 01/01/26);
- 1454 (e) Section 59-10-104.1 (Effective 01/01/26);
- 1455 (f) Section 59-10-114 (Effective 01/01/26);
- 1456 (g) Section 59-10-510 (Effective 01/01/26); and

1457        (h) Section 59-10-1042 (Effective 01/01/26).

1458        Section 20. **Retrospective operation.**

1459        The following sections have retrospective operation for a taxable year beginning on or  
1460        after January 1, 2025:

1461        (1) Section 59-7-614;

1462        (2) Section 59-7-614.10;

1463        (3) Section 59-10-1037;

1464        (4) Section 59-10-1045; and

1465        (5) Section 59-10-1102.2.