

Income Tax Credit Review Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Daniel McCay

House Sponsor: Steve Eliason

LONG TITLE**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 12 voting for 0 voting against 6 absent

General Description:

This bill modifies the process for income tax credit review.

Highlighted Provisions:

This bill:

- extends the income tax credit review cycle from three years to five years;
- provides a process for the Office of the Legislative Auditor General to audit the income tax credits; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-7-159, as last amended by Laws of Utah 2022, Chapters 264, 274

59-7-614.2, as last amended by Laws of Utah 2022, Chapter 200

59-7-614.5, as last amended by Laws of Utah 2021, Chapter 282

59-7-614.7, as last amended by Laws of Utah 2023, Chapter 482

59-7-614.10, as last amended by Laws of Utah 2021, Chapter 282

59-7-619, as last amended by Laws of Utah 2023, Chapter 473

59-10-137, as last amended by Laws of Utah 2023, Chapter 460

59-10-1025, as last amended by Laws of Utah 2019, Chapter 465

59-10-1029, as last amended by Laws of Utah 2023, Chapter 482

59-10-1034, as last amended by Laws of Utah 2021, Chapters 64, 280 and last amended

31 by Coordination Clause, Laws of Utah 2021, Chapter 280
 32 **59-10-1037**, as last amended by Laws of Utah 2021, Chapter 282
 33 **59-10-1107**, as last amended by Laws of Utah 2021, Chapter 282
 34 **59-10-1108**, as last amended by Laws of Utah 2021, Chapter 282

35 ENACTS:

36 **36-12-15.4**, Utah Code Annotated 1953

37
 38 *Be it enacted by the Legislature of the state of Utah:*

39 Section 1. Section **36-12-15.4** is enacted to read:

40 **36-12-15.4 . Income tax credit audits.**

41 (1) As used in this section:

42 (a) "Committee" means the Revenue and Taxation Interim Committee.

43 (b) "Income tax credit" means a state tax credit described in Title 59, Chapter 7,
 44 Corporate Franchise and Income Taxes, or Title 59, Chapter 10, Individual Income
 45 Tax Act.

46 (c) "Office" means the Office of the Legislative Auditor General.

47 (2) In addition to other audits performed by the office, the office shall conduct, in
 48 accordance with this section and under the direction of the Legislative Audit
 49 Subcommittee, a comprehensive performance audit of the income tax credits.

50 (3)(a) On or before August 31 of each year, the committee may refer a list of income tax
 51 credits to the office that the committee recommends for audit.

52 (b) The list may include an order in which the committee prefers the office to conduct
 53 the income tax credit audit.

54 (4) If the committee does not refer a list of income tax credits, the office shall select which
 55 income tax credits to audit, considering the income tax credit's usage in terms of dollars
 56 and vulnerability to error or fraud.

57 Section 2. Section **59-7-159** is amended to read:

58 **59-7-159 . Review of credits allowed under this chapter.**

59 (1) As used in this section, "committee" means the Revenue and Taxation Interim
 60 Committee.

61 (2)[(a) ~~The committee shall review the tax credits described in this chapter as provided~~
 62 ~~in Subsection (3) and make recommendations concerning whether the tax credits~~
 63 ~~should be continued, modified, or repealed.]~~

64 (a) The committee shall review each tax credit described in this chapter once every five

65 years to determine whether to continue, modify, or repeal the tax credit.

66 (b) In conducting the review required under Subsection (2)(a), the committee shall:

67 (i) ~~schedule time on [at least one] a committee agenda to conduct the review~~ as needed;

68 (ii) invite state agencies, individuals, and organizations concerned with [the] a tax
69 credit under review to provide oral or written testimony;

70 (iii)(A) invite the Governor's Office of Economic Opportunity to present a
71 summary and analysis of the information for each tax credit regarding which
72 the Governor's Office of Economic Opportunity is required to make a report
73 under this chapter; and

74 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and
75 analysis of the information for each tax credit regarding which the Office of the
76 Legislative Fiscal Analyst is required to make a report under this chapter;

77 (iv) ~~[ensure that the committee's recommendations described in this section include~~
78 ~~an evaluation of]~~ evaluate:

79 (A) the cost of the tax credit to the state;

80 (B) the purpose and effectiveness of the tax credit; and

81 (C) the extent to which the state benefits from the tax credit; and

82 (v) undertake other review efforts as determined by the committee chairs or as
83 otherwise required by law.

84 ~~[(3)(a) On or before November 30, 2017, and every three years after 2017, the~~

84a ~~committee~~

85 ~~shall conduct the review required under Subsection (2) of the tax credits allowed~~

85a ~~under~~

86 ~~the following sections:]~~

87 ~~[(i) Section 59-7-601;]~~

88 ~~[(ii) Section 59-7-607;]~~

89 ~~[(iii) Section 59-7-612;]~~

90 ~~[(iv) Section 59-7-614.1; and]~~

91 ~~[(v) Section 59-7-614.5.]~~

92 ~~[(b) On or before November 30, 2018, and every three years after 2018, the committee~~

93 ~~shall conduct the review required under Subsection (2) of the tax credits allowed~~

93a ~~under~~

94 ~~the following sections:]~~

95 ~~[(i) Section 59-7-609;]~~

96 ~~[(ii) Section 59-7-614.2;]~~

97 ~~[(iii) Section 59-7-614.10; and]~~

98 ~~[(iv) Section 59-7-619.]~~

99 ~~[(e) On or before November 30, 2019, and every three years after 2019, the committee~~
 100 ~~shall conduct the review required under Subsection (2) of the tax credits allowed~~
 100a ~~under~~
 101 ~~the following sections:]~~

102 ~~[(i) Section 59-7-610;]~~

103 ~~[(ii) Section 59-7-614; and]~~

104 ~~[(iii) Section 59-7-614.7.]~~

105 ~~[(d)(i) In addition to the reviews described in this Subsection (3), the committee~~
 105a ~~shall~~
 106 ~~conduct a review of a tax credit described in this chapter that is enacted on or after~~
 107 ~~January 1, 2017.]~~

108 ~~[(ii) The committee shall complete a review described in this Subsection (3)(d) three~~
 108a ~~years~~
 109 ~~after the effective date of the tax credit and every three years after the initial~~
 109a ~~review date.]~~

110 Section 3. Section **59-7-614.2** is amended to read:

111 **59-7-614.2 . Refundable economic development tax credit.**

112 (1) As used in this section:

113 (a) "Business entity" means a taxpayer that meets the definition of "business entity" as
 114 defined in Section 63N-2-103.

115 (b) "Incremental job" means the same as that term is defined in Section 63N-1a-102.

116 (c) "New state revenue" means the same as that term is defined in Section 63N-1a-102.

117 (d) "Office" means the Governor's Office of Economic Opportunity.

118 (2) Subject to the other provisions of this section, a business entity may claim a refundable
 119 tax credit for economic development.

120 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax
 121 credit certificate that the office issues to the business entity for the taxable year.

122 (4)(a) In accordance with any rules prescribed by the commission under Subsection
 123 (4)(b), the commission shall make a refund to a business entity that claims a tax
 124 credit under this section if the amount of the tax credit exceeds the business entity's
 125 tax liability for a taxable year.

126 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 127 commission may make rules providing procedures for making a refund to a business
 128 entity as required by Subsection (4)(a).

129 ~~(5)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim
 130 Committee shall study the tax credit allowed by this section and make
 131 recommendations concerning whether the tax credit should be continued, modified,
 132 or repealed.]~~

133 ~~[(b) Except as provided in Subsection (5)(c), for purposes of the study required by this
 134 Subsection (5),]~~

135 (a) To assist the Revenue and Taxation Interim Committee with the review required by
 136 Section 59-7-159, the office shall provide the following information, if available to
 137 the office, to the Revenue and Taxation Interim Committee by electronic means:

138 (i) the amount of tax credit that the office grants to each business entity for each
 139 calendar year;

140 (ii) the criteria that the office uses in granting a tax credit;

141 (iii) the new state revenue generated by the business entity for the calendar year;

142 (iv) estimates for each of the next three calendar years of the following:

143 (A) the amount of tax credits that the office will grant;

144 (B) the amount of new state revenue that will be generated; and

145 (C) the number of new incremental jobs within the state that will be generated;

146 (v) the information contained in the office's latest report under Section 63N-2-106;
 147 and

148 (vi) any other information that the Revenue and Taxation Interim Committee requests.

149 ~~[(e)(i)] In providing the information described in Subsection ~~[(5)(b)]~~ (5)(a), the office
 150 shall redact information that identifies a recipient of a tax credit under this section.~~

151 ~~[(ii)]~~ (b) If, notwithstanding the redactions made under Subsection ~~[(5)(e)(i)]~~ (5)(b),
 152 reporting the information described in Subsection ~~[(5)(b)]~~ (5)(a) might disclose the
 153 identity of a recipient of a tax credit, the office may file a request with the Revenue
 154 and Taxation Interim Committee to provide the information described in Subsection [
 155 ~~(5)(b)]~~ (5)(a) in the aggregate for all business entities that receive the tax credit under
 156 this section.

157 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the
 158 recommendations described in Subsection (5)(a) include an evaluation of:]~~

159 ~~[(i) the cost of the tax credit to the state;]~~

160 [(ii) the purpose and effectiveness of the tax credit; and]
 161 [(iii) the extent to which the state benefits from the tax credit.]

162 Section 4. Section **59-7-614.5** is amended to read:

163 **59-7-614.5 . Refundable motion picture tax credit.**

164 (1) As used in this section:

165 (a) "Motion picture company" means a taxpayer that meets the definition of a motion
 166 picture company under Section 63N-8-102.

167 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
 168 63N-1a-301.

169 (c) "State-approved production" means the same as that term is defined in Section
 170 63N-8-102.

171 (2) [~~For a taxable year beginning on or after January 1, 2009, a~~] A motion picture company
 172 may claim a refundable tax credit for a state-approved production.

173 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax
 174 credit certificate that the office issues to a motion picture company under Section
 175 63N-8-103 for the taxable year.

176 (4)(a) In accordance with any rules prescribed by the commission under Subsection
 177 (4)(b), the commission shall make a refund to a motion picture company that claims a
 178 tax credit under this section if the amount of the tax credit exceeds the motion picture
 179 company's tax liability for a taxable year.

180 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 181 commission may make rules providing procedures for making a refund to a motion
 182 picture company as required by Subsection (4)(a).

183 (5)[~~(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~
 184 ~~Committee shall study the tax credit allowed by this section and make~~
 185 ~~recommendations concerning whether the tax credit should be continued, modified,~~
 186 ~~or repealed.]~~

187 [(b)] (a)(i) [~~Except as provided in Subsection (5)(b)(ii), for purposes of the study~~
 188 ~~required by this Subsection (5), the]~~ To assist the Revenue and Taxation Interim
 189 Committee with the review required by Section 59-7-159, the office shall provide
 190 the following information, if available to the office, to the Office of the
 191 Legislative Fiscal Analyst by electronic means:

192 (A) the amount of tax credit that the office grants to each motion picture company
 193 for each calendar year;

- 194 (B) estimates of the amount of tax credit that the office will grant for each of the
 195 next three calendar years;
- 196 (C) the criteria that the office uses in granting the tax credit;
- 197 (D) the dollars left in the state, as defined in Section 63N-8-102, by each motion
 198 picture company for each calendar year;
- 199 (E) the information contained in the office's latest report under Section 63N-1a-306;
 200 and
- 201 (F) any other information that the Office of the Legislative Fiscal Analyst requests.

202 [(ii)]

203 [(A)] (ii) In providing the information described in Subsection [(5)(b)(i)] (5)(a)(i), the
 204 office shall redact information that identifies a recipient of a tax credit under this
 205 section.

206 [(B)] (iii) If, notwithstanding the redactions made under Subsection [(5)(b)(ii)(A)]
 207 (5)(a)(ii), reporting the information described in Subsection [(5)(b)(i)] (5)(a)(i)
 208 might disclose the identity of a recipient of a tax credit, the office may file a
 209 request with the Revenue and Taxation Interim Committee to provide the
 210 information described in Subsection [(5)(b)(i)] (5)(a)(i) in the aggregate for all
 211 motion picture companies that receive the tax credit under this section.

212 [(e)] (b) [~~As part of the study required by this Subsection (5), the~~] The Office of the
 213 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
 214 Committee a summary and analysis of the information provided to the Office of the
 215 Legislative Fiscal Analyst by the office under Subsection [(5)(b)] (5)(a).

216 [(d) ~~The Revenue and Taxation Interim Committee shall ensure that the~~
 217 ~~recommendations described in Subsection (5)(a) include an evaluation of:~~]

218 [(i) ~~the cost of the tax credit to the state;~~]

219 [(ii) ~~the effectiveness of the tax credit; and~~]

220 [(iii) ~~the extent to which the state benefits from the tax credit.~~]

221 Section 5. Section **59-7-614.7** is amended to read:

222 **59-7-614.7 . Nonrefundable alternative energy development tax credit.**

223 (1) As used in this section:

224 (a) "Alternative energy entity" means the same as that term is defined in Section
 225 79-6-502.

226 (b) "Alternative energy project" means the same as that term is defined in Section
 227 79-6-502.

- 228 (c) "Office" means the Office of Energy Development created in Section 79-6-401.
- 229 (2) Subject to the other provisions of this section, an alternative energy entity may claim a
 230 nonrefundable tax credit for alternative energy development as provided in this section.
- 231 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax
 232 credit certificate that the office issues under Title 79, Chapter 6, Part 5, Alternative
 233 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.
- 234 (4) An alternative energy entity may carry forward a tax credit under this section for a
 235 period that does not exceed the next seven taxable years if:
- 236 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
 237 taxable year; and
- 238 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability under
 239 this chapter for that taxable year.
- 240 ~~(5)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~
 241 ~~Committee shall study the tax credit allowed by this section and make~~
 242 ~~recommendations concerning whether the tax credit should be continued, modified,~~
 243 ~~or repealed.]~~
- 244 ~~[(b)] (a)(i) [Except as provided in Subsection (5)(b)(ii), for purposes of the study~~
 245 ~~required by this Subsection (5), the] To assist the Revenue and Taxation Interim~~
 246 ~~Committee with the review required by Section 59-7-159, the office shall provide~~
 247 ~~the following information, if available to the office, to the Office of the~~
 248 ~~Legislative Fiscal Analyst by electronic means:~~
- 249 (A) the amount of tax credit that the office grants to each alternative energy entity
 250 for each taxable year;
- 251 (B) the new state revenues generated by each alternative energy project;
- 252 (C) the information contained in the office's latest report under Section 79-6-505;
 253 and
- 254 (D) any other information that the Office of the Legislative Fiscal Analyst
 255 requests.
- 256 ~~[(ii)]~~
- 257 ~~[(A)] (ii) In providing the information described in Subsection [(5)(b)(i)] (5)(a)(i), the~~
 258 ~~office shall redact information that identifies a recipient of a tax credit under this~~
 259 ~~section.~~
- 260 ~~[(B)] (iii) If, notwithstanding the redactions made under Subsection [(5)(b)(ii)(A)]~~
 261 ~~(5)(a)(ii), reporting the information described in Subsection [(5)(b)(i)] (5)(a)(i)~~

262 might disclose the identity of a recipient of a tax credit, the office may file a
 263 request with the Revenue and Taxation Interim Committee to provide the
 264 information described in Subsection ~~[(5)(b)(i)] (5)(a)(i)~~ in the aggregate for all
 265 alternative energy entities that receive the tax credit under this section.

266 ~~[(e)] (b) [As part of the study required by this Subsection (5), the]~~ The Office of the
 267 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
 268 Committee a summary and analysis of the information provided to the Office of the
 269 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)] (5)(a)~~.

270 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the~~
 271 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~

272 ~~[(i) the cost of the tax credit to the state;]~~

273 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

274 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

275 (6) A taxpayer may not claim or carry forward a tax credit described in Subsection (2) in a
 276 taxable year during which the taxpayer claims or carries forward a tax credit under
 277 Section 59-7-614.

278 Section 6. Section **59-7-614.10** is amended to read:

279 **59-7-614.10 . Nonrefundable enterprise zone tax credit.**

280 (1) As used in this section:

281 (a) "Business entity" means a corporation that meets the definition of "business entity"
 282 as that term is defined in Section 63N-2-202.

283 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
 284 63N-1a-301.

285 (2) Subject to the provisions of this section, a business entity may claim a nonrefundable
 286 enterprise zone tax credit as described in Section 63N-2-213.

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

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

293 (5) A business entity may not claim or carry forward a tax credit under this part for a
 294 taxable year during which the business entity has claimed the targeted business income
 295 tax credit under Section 59-7-624.

296 ~~(6)(a)~~ In accordance with Section 59-7-159, the Revenue and Taxation Interim
 297 Committee shall study the tax credit allowed by this section and make
 298 recommendations concerning whether the tax credit should be continued, modified,
 299 or repealed.]

300 ~~[(b)]~~ ~~(a)(i)~~ [Except as provided in Subsection ~~(6)(b)(ii)~~, for purposes of the study
 301 required by this Subsection ~~(6)~~,] To assist the Revenue and Taxation Interim
 302 Committee with the review required by Section 59-7-159, the office shall provide
 303 by electronic means the following information for each calendar year to the Office
 304 of the Legislative Fiscal Analyst:

- 305 (A) the amount of tax credits provided in each development zone;
- 306 (B) the number of new full-time employee positions reported to obtain tax credits
 307 in each development zone;
- 308 (C) the amount of tax credits awarded for rehabilitating a building in each
 309 development zone;
- 310 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
 311 depreciable property in each development zone;
- 312 (E) the information related to the tax credit contained in the office's latest report
 313 under Section 63N-1a-301; and
- 314 (F) any other information that the Office of the Legislative Fiscal Analyst requests.

315 ~~(ii)(A)]~~ In providing the information described in Subsection ~~[(6)(b)(i)]~~ (6)(a)(i),
 316 the office shall redact information that identifies a recipient of a tax credit
 317 under this section.

318 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(6)(b)(ii)(A)]~~
 319 (6)(a)(ii), reporting the information described in Subsection ~~[(6)(b)(i)]~~ (6)(a)(i)
 320 might disclose the identity of a recipient of a tax credit, the office may file a
 321 request with the Revenue and Taxation Interim Committee to provide the
 322 information described in Subsection ~~[(6)(b)(i)]~~ (6)(a)(i) in the aggregate for all
 323 development zones that receive the tax credit under this section.

324 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (6), the]~~ The Office of the
 325 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
 326 Committee a summary and analysis of the information provided to the Office of the
 327 Legislative Fiscal Analyst by the office under Subsection ~~[(6)(b)]~~ (6)(a).

328 ~~[(d)]~~ The Revenue and Taxation Interim Committee shall ensure that the
 329 recommendations described in Subsection (6)(a) include an evaluation of:]

- 330 [(i) the cost of the tax credit to the state;]
 331 [(ii) the purpose and effectiveness of the tax credit; and]
 332 [(iii) the extent to which the state benefits from the tax credit.]

333 Section 7. Section **59-7-619** is amended to read:

334 **59-7-619 . Nonrefundable high cost infrastructure development tax credit.**

335 (1) As used in this section:

336 (a) "High cost infrastructure project" means the same as that term is defined in Section
 337 79-6-602.

338 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in
 339 Section 79-6-602.

340 (c) "Infrastructure-related revenue" means the same as that term is defined in Section
 341 79-6-602.

342 (d) "Office" means the Office of Energy Development created in Section 79-6-401.

343 (2) Subject to the other provisions of this section, a corporation that is an infrastructure
 344 cost-burdened entity may claim a nonrefundable tax credit for development of a high
 345 cost infrastructure project as provided in this section.

346 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax
 347 credit certificate that the office issues under Title 79, Chapter 6, Part 6, High Cost
 348 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for
 349 the taxable year.

350 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this section
 351 for a period that does not exceed the next seven taxable years if:

352 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this
 353 section for a taxable year; and

354 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax
 355 liability under this chapter for that taxable year.

356 (5)(a) [~~In accordance with Section 59-7-159, the Revenue and Taxation Interim
 357 Committee shall study the tax credit allowed by this section and make
 358 recommendations concerning whether the tax credit should be continued, modified,
 359 or repealed.]~~

360 [(b)(i) Except as provided in Subsection (5)(b)(ii), for purposes of the study
 361 required by this Subsection (5),]

362 (i) To assist the Revenue and Taxation Interim Committee with the review required
 363 by Section 59-7-159, the office shall provide the following information, if

364 available to the office, to the Office of the Legislative Fiscal Analyst:
 365 (A) the amount of tax credit that the office grants to each infrastructure
 366 cost-burdened entity for each taxable year;
 367 (B) the infrastructure-related revenue generated by each high cost infrastructure
 368 project;
 369 (C) the information contained in the office's latest report under Section 79-6-605;
 370 and
 371 (D) any other information that the Office of the Legislative Fiscal Analyst
 372 requests.

373 ~~[(ii)]~~

374 ~~[(A)]~~ (ii) In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i), the
 375 office shall redact information that identifies a recipient of a tax credit under this
 376 section.

377 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~
 378 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)
 379 might disclose the identity of a recipient of a tax credit, the office may file a
 380 request with the Revenue and Taxation Interim Committee to provide the
 381 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all
 382 infrastructure cost-burdened entities that receive the tax credit under this section.

383 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (5), the]~~ The Office of the
 384 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
 385 Committee a summary and analysis of the information provided to the Office of the
 386 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ (5)(a).

387 ~~[(d)]~~ The Revenue and Taxation Interim Committee shall ensure that the
 388 recommendations described in Subsection (5)(a) include an evaluation of:

389 ~~[(i) the cost of the tax credit to the state;]~~

390 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

391 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

392 (6) Notwithstanding Section 59-7-903, the commission may not remove the tax credit
 393 described in this section from the tax return for a taxable year beginning before January
 394 1, 2027.

395 Section 8. Section **59-10-137** is amended to read:

396 **59-10-137 . Review of credits allowed under this chapter.**

397 (1) As used in this section, "committee" means the Revenue and Taxation Interim

398 Committee.

399 ~~(2)(a) The committee shall review the tax credits described in this chapter as provided~~
 400 ~~in Subsection (3) and make recommendations concerning whether the tax credits~~
 401 ~~should be continued, modified, or repealed.]~~

402 (a) The committee shall review each tax credit described in this chapter once every five
 403 years to determine whether to continue, modify, or repeal the tax credit.

404 (b) In conducting the review required under Subsection (2)(a), the committee shall:

405 (i) schedule time on ~~[at least one]~~ a committee agenda to conduct the review as needed;

406 (ii) invite state agencies, individuals, and organizations concerned with ~~[the]~~ a tax
 407 credit under review to provide oral or written testimony;

408 (iii)(A) invite the Governor's Office of Economic Opportunity to present a
 409 summary and analysis of the information for each tax credit regarding which
 410 the Governor's Office of Economic Opportunity is required to make a report
 411 under this chapter; and

412 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and
 413 analysis of the information for each tax credit regarding which the Office of the
 414 Legislative Fiscal Analyst is required to make a report under this chapter;

415 (iv) ~~[ensure that the committee's recommendations described in this section include~~
 416 ~~an evaluation of]~~ evaluate:

417 (A) the cost of the tax credit to the state;

418 (B) the purpose and effectiveness of the tax credit; and

419 (C) the extent to which the state benefits from the tax credit; and

420 (v) undertake other review efforts as determined by the committee chairs or as
 421 otherwise required by law.

422 ~~[(3)(a) On or before November 30, 2017, and every three years after 2017, the~~
 422a ~~committee~~
 423 ~~shall conduct the review required under Subsection (2) of the tax credits allowed~~
 423a ~~under~~
 424 ~~the following sections:]~~

425 ~~[(i) Section 59-10-1004;]~~

426 ~~[(ii) Section 59-10-1010;]~~

427 ~~[(iii) Section 59-10-1015;]~~

428 ~~[(iv) Section 59-10-1025;]~~

429 ~~[(v) Section 59-10-1027;]~~

- 430 ~~[(vi) Section 59-10-1031;]~~
 431 ~~[(vii) Section 59-10-1032;]~~
 432 ~~[(viii) Section 59-10-1035;]~~
 433 ~~[(ix) Section 59-10-1105; and]~~
 434 ~~[(x) Section 59-10-1108.]~~
 435 ~~[(b) On or before November 30, 2018, and every three years after 2018, the committee~~
 436 ~~shall conduct the review required under Subsection (2) of the tax credits allowed~~
 436a ~~under~~
 437 ~~the following sections:]~~
 438 ~~[(i) Section 59-10-1005;]~~
 439 ~~[(ii) Section 59-10-1006;]~~
 440 ~~[(iii) Section 59-10-1012;]~~
 441 ~~[(iv) Section 59-10-1022;]~~
 442 ~~[(v) Section 59-10-1023;]~~
 443 ~~[(vi) Section 59-10-1028;]~~
 444 ~~[(vii) Section 59-10-1034;]~~
 445 ~~[(viii) Section 59-10-1037; and]~~
 446 ~~[(ix) Section 59-10-1107.]~~
 447 ~~[(e) On or before November 30, 2019, and every three years after 2019, the committee~~
 448 ~~shall conduct the review required under Subsection (2) of the tax credits allowed~~
 448a ~~under~~
 449 ~~the following sections:]~~
 450 ~~[(i) Section 59-10-1007;]~~
 451 ~~[(ii) Section 59-10-1014;]~~
 452 ~~[(iii) Section 59-10-1017;]~~
 453 ~~[(iv) Section 59-10-1018;]~~
 454 ~~[(v) Section 59-10-1019;]~~
 455 ~~[(vi) Section 59-10-1024;]~~
 456 ~~[(vii) Section 59-10-1029;]~~
 457 ~~[(viii) Section 59-10-1036;]~~
 458 ~~[(ix) Section 59-10-1106; and]~~
 459 ~~[(x) Section 59-10-1111.]~~
 460 ~~[(d)(i) In addition to the reviews described in this Subsection (3), the committee~~
 460a ~~shall~~

461 ~~conduct a review of a tax credit described in this chapter that is enacted on or after~~
 462 ~~January 1, 2017.]~~

463 ~~[(ii) The committee shall complete a review described in this Subsection (3)(d) three~~
 463a ~~years~~
 464 ~~after the effective date of the tax credit and every three years after the initial~~
 464a ~~review date.]~~

465 Section 9. Section **59-10-1025** is amended to read:

466 **59-10-1025 . Nonrefundable tax credit for investment in certain life science**
 467 **establishments.**

468 (1) As used in this section:

469 (a) "Commercial domicile" means the principal place from which the trade or business
 470 of a Utah small business corporation is directed or managed.

471 (b) "Eligible claimant, estate, or trust" means the same as that term is defined in Section
 472 63N-2-802.

473 (c) "Life science establishment" means an establishment primarily engaged in the
 474 development or manufacture of products in one or more of the following categories:

475 (i) biotechnologies;

476 (ii) medical devices;

477 (iii) medical diagnostics; and

478 (iv) pharmaceuticals.

479 (d) "Office" means the Governor's Office of Economic Opportunity.

480 (e) "Pass-through entity" means the same as that term is defined in Section 59-10-1402.

481 (f) "Pass-through entity taxpayer" means the same as that term is defined in Section
 482 59-10-1402.

483 (g) "Qualifying ownership interest" means an ownership interest that is:

484 (i)(A) common stock;

485 (B) preferred stock; or

486 (C) an ownership interest in a pass-through entity;

487 (ii) originally issued to:

488 (A) an eligible claimant, estate, or trust; or

489 (B) a pass-through entity if the eligible claimant, estate, or trust that claims a tax
 490 credit under this section was a pass-through entity taxpayer of the pass-through
 491 entity on the day on which the qualifying ownership interest was issued and
 492 remains a pass-through entity taxpayer of the pass-through entity until the last

493 day of the taxable year for which the eligible claimant, estate, or trust claims a
494 tax credit under this section; and

495 (iii) issued:

496 (A) by a Utah small business corporation;

497 (B) on or after January 1, 2011; and

498 (C) for money or other property, except for stock or securities.

499 (h)(i) Except as provided in Subsection (1)(h)(ii), "Utah small business corporation"
500 means the same as that term is defined in Section 59-10-1022.

501 (ii) For purposes of this section, a corporation under Section 1244(c)(3)(A), Internal
502 Revenue Code, is considered to include a pass-through entity.

503 (2) Subject to the other provisions of this section, [~~for a taxable year beginning on or after~~
504 ~~January 1, 2011,~~]an eligible claimant, estate, or trust that holds a tax credit certificate
505 issued to the eligible claimant, estate, or trust in accordance with Section 63N-2-808 for
506 that taxable year may claim a nonrefundable tax credit in an amount up to 35% of the
507 purchase price of a qualifying ownership interest in a Utah small business corporation
508 by the claimant, estate, or trust if:

509 (a) the qualifying ownership interest is issued by a Utah small business corporation that
510 is a life science establishment;

511 (b) the qualifying ownership interest in the Utah small business corporation is purchased
512 for at least \$25,000;

513 (c) the eligible claimant, estate, or trust owned less than 30% of the qualifying
514 ownership interest of the Utah small business corporation at the time of the purchase
515 of the qualifying ownership interest; and

516 (d) on each day of the taxable year in which the purchase of the qualifying ownership
517 interest was made, the Utah small business corporation described in Subsection (2)(a)
518 has at least 50% of its employees in the state.

519 (3) Subject to Subsection (4), the tax credit under Subsection (2):

520 (a) may only be claimed by an eligible claimant, estate, or trust:

521 (i) for a taxable year for which the eligible claimant, estate, or trust holds a tax credit
522 certificate issued in accordance with Section 63N-2-808; and

523 (ii) subject to obtaining a tax credit certificate for each taxable year as required by
524 Subsection (3)(a)(i), for a period of three taxable years as follows:

525 (A) the tax credit in the taxable year in which the purchase of the qualifying
526 ownership interest was made may not exceed 10% of the purchase price of the

- 527 qualifying ownership interest;
- 528 (B) the tax credit in the taxable year after the taxable year described in Subsection
- 529 (3)(a)(ii)(A) may not exceed 10% of the purchase price of the qualifying
- 530 ownership interest; and
- 531 (C) the tax credit in the taxable year two years after the taxable year described in
- 532 Subsection (3)(a)(ii)(A) may not exceed 15% of the purchase price of the
- 533 qualifying ownership interest; and
- 534 (b) may not exceed the lesser of:
- 535 (i) the amount listed on the tax credit certificate issued in accordance with Section
- 536 63N-2-808; or
- 537 (ii) \$350,000 in a taxable year.
- 538 (4) An eligible claimant, estate, or trust may not claim a tax credit under this section for a
- 539 taxable year if the eligible claimant, estate, or trust:
- 540 (a) has sold any of the qualifying ownership interest during the taxable year; or
- 541 (b) does not hold a tax credit certificate for that taxable year that is issued to the eligible
- 542 claimant, estate, or trust by the office in accordance with Section 63N-2-808.
- 543 (5) If a Utah small business corporation in which an eligible claimant, estate, or trust
- 544 purchases a qualifying ownership interest fails, dissolves, or otherwise goes out of
- 545 business, the eligible claimant, estate, or trust may not claim both the tax credit provided
- 546 in this section and a capital loss on the qualifying ownership interest.
- 547 (6) If an eligible claimant is a pass-through entity taxpayer that files a return under Chapter
- 548 7, Corporate Franchise and Income Taxes, the eligible claimant may claim the tax credit
- 549 under this section on the return filed under Chapter 7, Corporate Franchise and Income
- 550 Taxes.
- 551 (7) A claimant, estate, or trust may not carry forward or carry back a tax credit under this
- 552 section.
- 553 (8)~~[(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~
- 554 ~~Committee shall study the tax credit allowed by this section and make~~
- 555 ~~recommendations concerning whether the tax credit should be continued, modified,~~
- 556 ~~or repealed.]~~
- 557 ~~[(b)] (a) [Except as provided in Subsection (8)(c), for purposes of the study required by~~
- 558 ~~this Subsection (8)]~~
- 559 (i) To assist the Revenue and Taxation Interim Committee with the review required
- 560 by Section 59-10-137, the office shall provide the following information, if

561 available to the office, to the Office of the Legislative Fiscal Analyst by electronic
562 means:

563 [(i)] (A) the amount of tax credit that the office grants to each eligible business
564 entity for each taxable year;

565 [(ii)] (B) the amount of eligible new state tax revenues generated by each eligible
566 product or project;

567 [(iii)] (C) estimates for each of the next three calendar years of the following:

568 [(A)] (I) the amount of tax credit that the office will grant;

569 [(B)] (II) the amount of eligible new state tax revenues that will be generated;
570 and

571 [(C)] (III) the number of new incremental jobs within the state that will be
572 generated; and

573 [(iv)] (D) any other information that the Office of the Legislative Fiscal Analyst
574 requests.

576 [(i)] (ii) In providing the information described in Subsection [(8)(b)] (8)(a)(i), the
577 office shall redact information that identifies a recipient of a tax credit under this
578 section.

579 [(ii)] (iii) If, notwithstanding the redactions made under Subsection [(8)(c)(i)] (8)(a)(ii),
580 reporting the information described in Subsection [(8)(b)] (8)(a)(i) might disclose
581 the identity of a recipient of a tax credit, the office may file a request with the
582 Revenue and Taxation Interim Committee to provide the information described in
583 Subsection [(8)(b)] (8)(a)(i) in the aggregate for all entities that receive the tax
584 credit under this section.

575 [(e)]

585 [(d)] (b) [~~As part of the study required by this Subsection (8), the~~] The Office of the
586 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
587 Committee a summary and analysis of the information provided to the Office of the
588 Legislative Fiscal Analyst by the office under Subsection [(8)(b)] (8)(a).

589 [~~The Revenue and Taxation Interim Committee shall ensure that the~~
590 ~~recommendations described in Subsection (8)(a) include an evaluation of:]~~

591 [(i) ~~the cost of the tax credit under this section;~~]

592 [(ii) ~~the purpose and effectiveness of the tax credit; and~~]

593 [(iii) ~~the extent to which the state benefits from the tax credit.~~]

594 Section 10. Section **59-10-1029** is amended to read:

595 **59-10-1029 . Nonrefundable alternative energy development tax credit.**

596 (1) As used in this section:

597 (a) "Alternative energy entity" means the same as that term is defined in Section
598 79-6-502.

599 (b) "Alternative energy project" means the same as that term is defined in Section
600 79-6-502.

601 (c) "Office" means the Office of Energy Development created in Section 79-6-401.

602 (2) Subject to the other provisions of this section, an alternative energy entity may claim a
603 nonrefundable tax credit for alternative energy development as provided in this section.

604 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax
605 credit certificate that the office issues under Title 79, Chapter 6, Part 5, Alternative
606 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.

607 (4) An alternative energy entity may carry forward a tax credit under this section for a
608 period that does not exceed the next seven taxable years if:

609 (a) the alternative energy entity is allowed to claim a tax credit under this section for a
610 taxable year; and

611 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability under
612 this chapter for that taxable year.

613 (5)~~[(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim
614 Committee shall study the tax credit allowed by this section and make
615 recommendations concerning whether the tax credit should be continued, modified,
616 or repealed.]~~

617 ~~[(b)] (a)(i) [Except as provided in Subsection (5)(b)(ii), for purposes of the study
618 required by this Subsection (5)] To assist the Revenue and Taxation Interim
619 Committee with the review required by Section 59-10-137, the office shall
620 provide the following information, if available to the office, to the Office of the
621 Legislative Fiscal Analyst by electronic means:~~

622 (A) the amount of tax credit that the office grants to each alternative energy entity
623 for each taxable year;

624 (B) the new state revenues generated by each alternative energy project;

625 (C) the information contained in the office's latest report under Section 79-6-505;
626 and

627 (D) any other information that the Office of the Legislative Fiscal Analyst
628 requests.

- 629 (ii)(A) In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i),
630 the office shall redact information that identifies a recipient of a tax credit
631 under this section.
- 632 (B) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~
633 (5)(a)(ii)(A), reporting the information described in Subsection ~~[(5)(b)(i)]~~
634 (5)(a)(i) might disclose the identity of a recipient of a tax credit, the office may
635 file a request with the Revenue and Taxation Interim Committee to provide the
636 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all
637 alternative energy entities that receive the tax credit under this section.
- 638 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (5), the]~~ The Office of the
639 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
640 Committee a summary and analysis of the information provided to the Office of the
641 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ (5)(a).
- 642 ~~[(d)]~~ The Revenue and Taxation Interim Committee shall ensure that the
643 recommendations described in Subsection ~~(5)(a)~~ include an evaluation of:
644 ~~[(i) the cost of the tax credit to the state;]~~
645 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~
646 ~~[(iii) the extent to which the state benefits from the tax credit.]~~
- 647 (6) A claimant, estate, or trust may not claim or carry forward a tax credit described in
648 Subsection (2) in a taxable year during which the taxpayer claims or carries forward a
649 tax credit under Section 59-10-1106.
- 650 Section 11. Section **59-10-1034** is amended to read:
- 651 **59-10-1034 . Nonrefundable high cost infrastructure development tax credit.**
- 652 (1) As used in this section:
- 653 (a) "High cost infrastructure project" means the same as that term is defined in Section
654 79-6-602.
- 655 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in
656 Section 79-6-602.
- 657 (c) "Infrastructure-related revenue" means the same as that term is defined in Section
658 79-6-602.
- 659 (d) "Office" means the Office of Energy Development created in Section 79-6-401.
- 660 (2) Subject to the other provisions of this section, a claimant, estate, or trust that is an
661 infrastructure cost-burdened entity may claim a nonrefundable tax credit for
662 development of a high cost infrastructure project as provided in this section.

- 663 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax
 664 credit certificate that the office issues under Title 79, Chapter 6, Part 6, High Cost
 665 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for
 666 the taxable year.
- 667 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this section
 668 for a period that does not exceed the next seven taxable years if:
- 669 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this
 670 section for a taxable year; and
- 671 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax
 672 liability under this chapter for that taxable year.
- 673 ~~(5)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~
 674 ~~Committee shall study the tax credit allowed by this section and make~~
 675 ~~recommendations concerning whether the tax credit should be continued, modified,~~
 676 ~~or repealed.]~~
- 677 ~~[(b)] (a)(i) [Except as provided in Subsection (5)(b)(ii), for purposes of the study~~
 678 ~~required by this Subsection (5)] To assist the Revenue and Taxation Interim~~
 679 ~~Committee with the review required by Section 59-10-137, the office shall~~
 680 ~~provide the following information, if available to the office, to the Office of the~~
 681 ~~Legislative Fiscal Analyst:~~
- 682 (A) the amount of tax credit that the office grants to each infrastructure
 683 cost-burdened entity for each taxable year;
- 684 (B) the infrastructure-related revenue generated by each high cost infrastructure
 685 project;
- 686 (C) the information contained in the office's latest report under Section 79-6-605;
 687 and
- 688 (D) any other information that the Office of the Legislative Fiscal Analyst
 689 requests.
- 690 ~~(ii)(A)]~~ In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i),
 691 the office shall redact information that identifies a recipient of a tax credit
 692 under this section.
- 693 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~
 694 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)
 695 might disclose the identity of a recipient of a tax credit, the office may file a
 696 request with the Revenue and Taxation Interim Committee to provide the

697 information described in Subsection ~~[(5)(b)(i)] (5)(a)(i)~~ in the aggregate for all
 698 infrastructure cost-burdened entities that receive the tax credit under this section.

699 ~~[(e)] (b) [As part of the study required by this Subsection (5), the]~~ The Office of the
 700 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
 701 Committee a summary and analysis of the information provided to the Office of the
 702 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)] (5)(a)~~.

703 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the
 704 recommendations described in Subsection (5)(a) include an evaluation of:]~~

705 ~~[(i) the cost of the tax credit to the state;]~~

706 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

707 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

708 Section 12. Section **59-10-1037** is amended to read:

709 **59-10-1037 . Nonrefundable enterprise zone tax credit.**

710 (1) As used in this section:

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

713 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
 714 63N-1a-301.

715 (2) Subject to the provisions of this section, a business entity may claim a nonrefundable
 716 enterprise zone tax credit as described in Section 63N-2-213.

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

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

723 (5) A business entity may not claim or carry forward a tax credit under this part for a
 724 taxable year during which the business entity has claimed the targeted business income
 725 tax credit under Section 59-10-1112.

726 ~~[(6)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim
 727 Committee shall study the tax credit allowed by this section and make
 728 recommendations concerning whether the tax credit should be continued, modified,
 729 or repealed.]~~

730 ~~[(b)] (a)(i) [Except as provided in Subsection (6)(b)(ii), for purposes of the study~~

731 ~~required by this Subsection (6)]~~ To assist the Revenue and Taxation Interim
732 Committee with the review required by Section 59-10-137, the office shall
733 provide by electronic means the following information, if available to the office,
734 for each calendar year to the Office of the Legislative Fiscal Analyst:

- 735 (A) the amount of tax credits provided in each development zone;
- 736 (B) the number of new full-time employee positions reported to obtain tax credits
737 in each development zone;
- 738 (C) the amount of tax credits awarded for rehabilitating a building in each
739 development zone;
- 740 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
741 depreciable property in each development zone;
- 742 (E) the information related to the tax credit contained in the office's latest report
743 under Section 63N-1a-306; and
- 744 (F) other information that the Office of the Legislative Fiscal Analyst requests.

745 [(A)] In providing the information described in Subsection [(6)(b)(i)] (6)(a)(i),
746 the office shall redact information that identifies a recipient of a tax credit
747 under this section.

748 [(B)] (iii) If, notwithstanding the redactions made under Subsection [(6)(b)(ii)(A)]
749 (6)(a)(ii), reporting the information described in Subsection [(6)(b)(i)] (6)(a)(i)
750 might disclose the identity of a recipient of a tax credit, the office may file a
751 request with the Revenue and Taxation Interim Committee to provide the
752 information described in Subsection [(6)(b)(i)] (6)(a)(i) in the aggregate for all
753 development zones that receive the tax credit under this section.

754 [(c)] (b) [~~As part of the study required by this Subsection (6), the~~] The Office of the
755 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
756 Committee a summary and analysis of the information provided to the Office of the
757 Legislative Fiscal Analyst by the office under Subsection [(6)(b)] (6)(a).

758 [(d) ~~The Revenue and Taxation Interim Committee shall ensure that the~~
759 ~~recommendations described in Subsection (6)(a) include an evaluation of:]~~
760 [(i) ~~the cost of the tax credit to the state;]~~
761 [(ii) ~~the purpose and effectiveness of the tax credit; and]~~
762 [(iii) ~~the extent to which the state benefits from the tax credit.]~~

763 Section 13. Section **59-10-1107** is amended to read:
764 **59-10-1107 . Refundable economic development tax credit.**

- 765 (1) As used in this section:
- 766 (a) "Business entity" means a claimant, estate, or trust that meets the definition of
767 "business entity" as defined in Section 63N-2-103.
- 768 (b) "Incremental job" means the same as that term is defined in Section 63N-1a-102.
- 769 (c) "New state revenue" means the same as that term is defined in Section 63N-1a-102.
- 770 (d) "Office" means the Governor's Office of Economic Opportunity.
- 771 (2) Subject to the other provisions of this section, a business entity may claim a refundable
772 tax credit for economic development.
- 773 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax
774 credit certificate that the office issues to the business entity for the taxable year.
- 775 (4)(a) In accordance with any rules prescribed by the commission under Subsection
776 (4)(b), the commission shall make a refund to a business entity that claims a tax
777 credit under this section if the amount of the tax credit exceeds the business entity's
778 tax liability for a taxable year.
- 779 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
780 commission may make rules providing procedures for making a refund to a business
781 entity as required by Subsection (4)(a).
- 782 ~~(5)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~
783 ~~Committee shall study the tax credit allowed by this section and make~~
784 ~~recommendations concerning whether the tax credit should be continued, modified,~~
785 ~~or repealed.]~~
- 786 [(b)] (a) ~~[Except as provided in Subsection (5)(c), for purposes of the study required by~~
787 ~~this Subsection (5),]~~ To assist the Revenue and Taxation Interim Committee with the
788 review required by Section 59-10-137, the office shall provide the following
789 information, if available to the office, to the Revenue and Taxation Interim
790 Committee by electronic means:
- 791 (i) the amount of tax credit the office grants to each taxpayer for each calendar year;
- 792 (ii) the criteria the office uses in granting a tax credit;
- 793 (iii) the new state revenue generated by each taxpayer for each calendar year;
- 794 (iv) estimates for each of the next three calendar years of the following:
- 795 (A) the amount of tax credits that the office will grant;
- 796 (B) the amount of new state revenue that will be generated; and
- 797 (C) the number of new incremental jobs within the state that will be generated;
- 798 (v) the information contained in the office's latest report under Section 63N-2-106;

799 and
800 (vi) any other information that the Revenue and Taxation Interim Committee requests.

801 ~~[(e)(i)]~~ In providing the information described in Subsection ~~[(5)(b)]~~ (5)(a), the office
802 shall redact information that identifies a recipient of a tax credit under this section.

803 ~~[(ii)]~~ (b) If, notwithstanding the redactions made under Subsection ~~[(5)(e)(i)]~~ (5)(b),
804 reporting the information described in Subsection ~~[(5)(b)]~~ (5)(a) might disclose the
805 identity of a recipient of a tax credit, the office may file a request with the Revenue
806 and Taxation Interim Committee to provide the information described in Subsection [
807 ~~(5)(b)]~~ (5)(a) in the aggregate for all taxpayers that receive the tax credit under this
808 section.

809 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the
810 recommendations described in Subsection (5)(a) include an evaluation of:]~~

811 ~~[(i) the cost of the tax credit to the state;]~~

812 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

813 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

814 Section 14. Section **59-10-1108** is amended to read:

815 **59-10-1108 . Refundable motion picture tax credit.**

816 (1) As used in this section:

817 (a) "Motion picture company" means a claimant, estate, or trust that meets the definition
818 of a motion picture company under Section 63N-8-102.

819 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
820 63N-1a-301.

821 (c) "State-approved production" means the same as that term is defined in Section
822 63N-8-102.

823 (2) ~~[For a taxable year beginning on or after January 1, 2009, a]~~ A motion picture company
824 may claim a refundable tax credit for a state-approved production.

825 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax
826 credit certificate that the office issues to a motion picture company under Section
827 63N-8-103 for the taxable year.

828 (4)(a) In accordance with any rules prescribed by the commission under Subsection
829 (4)(b), the commission shall make a refund to a motion picture company that claims a
830 tax credit under this section if the amount of the tax credit exceeds the motion picture
831 company's tax liability for the taxable year.

832 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the

833 commission may make rules providing procedures for making a refund to a motion
834 picture company as required by Subsection (4)(a).

835 ~~(5)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~
836 ~~Committee shall study the tax credit allowed by this section and make~~
837 ~~recommendations concerning whether the tax credit should be continued, modified,~~
838 ~~or repealed.]~~

839 ~~[(b) (a)(i) [Except as provided in Subsection (5)(b)(ii), for purposes of the study~~
840 ~~required by this Subsection (5)] To assist the Revenue and Taxation Interim~~
841 ~~Committee with the review required by Section 59-10-137, the office shall~~
842 ~~provide the following information, if available to the office, to the Office of the~~
843 ~~Legislative Fiscal Analyst by electronic means:~~

- 844 (A) the amount of tax credit the office grants to each taxpayer for each calendar
- 845 year;
- 846 (B) estimates of the amount of tax credit that the office will grant for each of the
- 847 next three calendar years;
- 848 (C) the criteria the office uses in granting a tax credit;
- 849 (D) the dollars left in the state, as defined in Section 63N-8-102, by each motion
- 850 picture company for each calendar year;
- 851 (E) the information contained in the office's latest report under Section 63N-8-105;
- 852 and
- 853 (F) any other information that the Office of the Legislative Fiscal Analyst requests.

854 ~~(ii)(A)]~~ In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i),
855 the office shall redact information that identifies a recipient of a tax credit
856 under this section.

857 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~
858 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)
859 might disclose the identity of a recipient of a tax credit, the office may file a
860 request with the Revenue and Taxation Interim Committee to provide the
861 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all
862 taxpayers that receive the tax credit under this section.

863 ~~[(e) (b) [As part of the study required by this Subsection (5), the] The~~ Office of the
864 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
865 Committee a summary and analysis of the information provided to the Office of the
866 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ (5)(a).

867 [(d) The Revenue and Taxation Interim Committee shall ensure that the
868 recommendations described in Subsection (5)(a) include an evaluation of:]
869 [(i) the cost of the tax credit to the state;]
870 [(ii) the effectiveness of the tax credit; and]
871 [(iii) the extent to which the state benefits from the tax credit.]

872 Section 15. **Effective Date.**

873 This bill takes effect on May 7, 2025.