

Steve Eliason proposes the following substitute bill:

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

30 **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



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~~
 85 ~~committee shall conduct the review required under Subsection (2) of the tax credits~~
 86 ~~allowed under 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~~
 94 ~~under 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~~
101 ~~under 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~~
106 ~~shall conduct a review of a tax credit described in this chapter that is enacted on or~~
107 ~~after January 1, 2017.]~~

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

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

112 **59-7-614.2 . Refundable economic development tax credit.**

113 (1) As used in this section:

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

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

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

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

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

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

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

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

130 ~~(5)[(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~
131 ~~Committee shall study the tax credit allowed by this section and make~~

132 recommendations concerning whether the tax credit should be continued, modified,
 133 or repealed.]

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

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

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

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

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

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

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

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

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

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

148 and

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

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

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

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

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

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

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

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

165 **59-7-614.5 . Refundable motion picture tax credit.**

- 166 (1) As used in this section:
- 167 (a) "Motion picture company" means a taxpayer that meets the definition of a motion
168 picture company under Section 63N-8-102.
- 169 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
170 63N-1a-301.
- 171 (c) "State-approved production" means the same as that term is defined in Section
172 63N-8-102.
- 173 (2) [~~For a taxable year beginning on or after January 1, 2009, a~~] A motion picture company
174 may claim a refundable tax credit for a state-approved production.
- 175 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax
176 credit certificate that the office issues to a motion picture company under Section
177 63N-8-103 for the taxable year.
- 178 (4)(a) In accordance with any rules prescribed by the commission under Subsection
179 (4)(b), the commission shall make a refund to a motion picture company that claims a
180 tax credit under this section if the amount of the tax credit exceeds the motion picture
181 company's tax liability for a taxable year.
- 182 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
183 commission may make rules providing procedures for making a refund to a motion
184 picture company as required by Subsection (4)(a).
- 185 (5)[~~(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim
186 Committee shall study the tax credit allowed by this section and make
187 recommendations concerning whether the tax credit should be continued, modified,
188 or repealed.]~~
- 189 [(b)] (a)(i) [~~Except as provided in Subsection (5)(b)(ii), for purposes of the study
190 required by this Subsection (5), the~~] To assist the Revenue and Taxation Interim
191 Committee with the review required by Section 59-7-159, the office shall provide
192 the following information, if available to the office, to the Office of the
193 Legislative Fiscal Analyst by electronic means:
- 194 (A) the amount of tax credit that the office grants to each motion picture company
195 for each calendar year;
- 196 (B) estimates of the amount of tax credit that the office will grant for each of the
197 next three calendar years;
- 198 (C) the criteria that the office uses in granting the tax credit;
- 199 (D) the dollars left in the state, as defined in Section 63N-8-102, by each motion

200 picture company for each calendar year;
 201 (E) the information contained in the office's latest report under Section 63N-1a-306;
 202 and
 203 (F) any other information that the Office of the Legislative Fiscal Analyst requests.

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

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

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

218 [(d) ~~The Revenue and Taxation Interim Committee shall ensure that the~~
 219 ~~recommendations described in Subsection (5)(a) include an evaluation of:~~
 220 [(i) ~~the cost of the tax credit to the state;~~
 221 [(ii) ~~the effectiveness of the tax credit; and~~
 222 [(iii) ~~the extent to which the state benefits from the tax credit.~~]

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

224 **59-7-614.7 . Nonrefundable alternative energy development tax credit.**

225 (1) As used in this section:

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

228 (b) "Alternative energy project" means the same as that term is defined in Section
 229 79-6-502.

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

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

233 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax

234 credit certificate that the office issues under Title 79, Chapter 6, Part 5, Alternative
 235 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.

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

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

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

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

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

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

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

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

256 (D) any other information that the Office of the Legislative Fiscal Analyst
 257 requests.

258 ~~[(ii)]~~

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

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

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

272 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the~~
273 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~
274 ~~[(i) the cost of the tax credit to the state;]~~
275 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~
276 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

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

280 Section 6. Section **59-7-614.10** is amended to read:
281 **59-7-614.10 . Nonrefundable enterprise zone tax credit.**

282 (1) As used in this section:
283 (a) "Business entity" means a corporation that meets the definition of "business entity"
284 as that term is defined in Section 63N-2-202.
285 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
286 63N-1a-301.

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

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

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

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

299 ~~[(b)]~~ (a)(i)(i) ~~Except as provided in Subsection (5)(b)(ii), for purposes of the study~~
300 ~~required by this Subsection (5)]~~ To assist the Revenue and Taxation Interim
301 Committee with the review required by Section 59-7-159, the office shall provide

302 by electronic means the following information for each calendar year to the Office
303 of the Legislative Fiscal Analyst:

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

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

317 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~
318 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)
319 might disclose the identity of a recipient of a tax credit, the office may file a
320 request with the Revenue and Taxation Interim Committee to provide the
321 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all
322 development zones that receive the tax credit under this section.

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

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

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

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

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

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

333 **59-7-619 . Nonrefundable high cost infrastructure development tax credit.**

334 (1) As used in this section:

335 (a) "High cost infrastructure project" means the same as that term is defined in Section

336 79-6-602.

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

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

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

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

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

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

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

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

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

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

361 (i) To assist the Revenue and Taxation Interim Committee with the review required
362 by Section 59-7-159, the office shall provide the following information, if
363 available to the office, to the Office of the Legislative Fiscal Analyst:

364 (A) the amount of tax credit that the office grants to each infrastructure
365 cost-burdened entity for each taxable year;

366 (B) the infrastructure-related revenue generated by each high cost infrastructure
367 project;

368 (C) the information contained in the office's latest report under Section 79-6-605;
369 and

370 (D) any other information that the Office of the Legislative Fiscal Analyst
371 requests.

372 [(ii)]

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

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

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

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

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

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

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

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

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

395 **59-10-137 . Review of credits allowed under this chapter.**

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

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

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

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

- 404 (i) schedule time on ~~[at least one]~~ a committee agenda to conduct the review as needed;
- 405 (ii) invite state agencies, individuals, and organizations concerned with ~~[the]~~ a tax
- 406 credit under review to provide oral or written testimony;
- 407 (iii)(A) invite the Governor's Office of Economic Opportunity to present a
- 408 summary and analysis of the information for each tax credit regarding which
- 409 the Governor's Office of Economic Opportunity is required to make a report
- 410 under this chapter; and
- 411 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and
- 412 analysis of the information for each tax credit regarding which the Office of the
- 413 Legislative Fiscal Analyst is required to make a report under this chapter;
- 414 (iv) ~~[ensure that the committee's recommendations described in this section include~~
- 415 ~~an evaluation of]~~ evaluate:
- 416 (A) the cost of the tax credit to the state;
- 417 (B) the purpose and effectiveness of the tax credit; and
- 418 (C) the extent to which the state benefits from the tax credit; and
- 419 (v) undertake other review efforts as determined by the committee chairs or as
- 420 otherwise required by law.

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

422 ~~committee shall conduct the review required under Subsection (2) of the tax credits~~

423 ~~allowed under the following sections:]~~

- 424 ~~[(i) Section 59-10-1004;]~~
- 425 ~~[(ii) Section 59-10-1010;]~~
- 426 ~~[(iii) Section 59-10-1015;]~~
- 427 ~~[(iv) Section 59-10-1025;]~~
- 428 ~~[(v) Section 59-10-1027;]~~
- 429 ~~[(vi) Section 59-10-1031;]~~
- 430 ~~[(vii) Section 59-10-1032;]~~
- 431 ~~[(viii) Section 59-10-1035;]~~
- 432 ~~[(ix) Section 59-10-1105; and]~~
- 433 ~~[(x) Section 59-10-1108.]~~

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

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

436 ~~under the following sections:]~~

437 ~~[(i) Section 59-10-1005;]~~

- 438 [(ii) Section 59-10-1006;]
 439 [(iii) Section 59-10-1012;]
 440 [(iv) Section 59-10-1022;]
 441 [(v) Section 59-10-1023;]
 442 [(vi) Section 59-10-1028;]
 443 [(vii) Section 59-10-1034;]
 444 [(viii) Section 59-10-1037; and]
 445 [(ix) Section 59-10-1107.]

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

- 449 [(i) Section 59-10-1007;]
 450 [(ii) Section 59-10-1014;]
 451 [(iii) Section 59-10-1017;]
 452 [(iv) Section 59-10-1018;]
 453 [(v) Section 59-10-1019;]
 454 [(vi) Section 59-10-1024;]
 455 [(vii) Section 59-10-1029;]
 456 [(viii) Section 59-10-1036;]
 457 [(ix) Section 59-10-1106; and]
 458 [(x) Section 59-10-1111.]

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

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

575 [(e)]

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)(e)(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.

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 ~~[(e) 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) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~
- 724 ~~Committee shall study the tax credit allowed by this section and make~~
- 725 ~~recommendations concerning whether the tax credit should be continued, modified,~~
- 726 ~~or repealed.]~~
- 727 ~~[(b)] (a)(i) [Except as provided in Subsection (5)(b)(ii), for purposes of the study~~
- 728 ~~required by this Subsection (5)] To assist the Revenue and Taxation Interim~~
- 729 ~~Committee with the review required by Section 59-10-137, the office shall~~
- 730 ~~provide by electronic means the following information, if available to the office,~~
- 731 ~~for each calendar year to the Office of the Legislative Fiscal Analyst:~~
- 732 (A) the amount of tax credits provided in each development zone;
- 733 (B) the number of new full-time employee positions reported to obtain tax credits
- 734 in each development zone;
- 735 (C) the amount of tax credits awarded for rehabilitating a building in each
- 736 development zone;
- 737 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
- 738 depreciable property in each development zone;
- 739 (E) the information related to the tax credit contained in the office's latest report
- 740 under Section 63N-1a-306; and
- 741 (F) other information that the Office of the Legislative Fiscal Analyst requests.
- 742 ~~(ii)(A)] In providing the information described in Subsection ~~[(5)(b)(i)] (5)(a)(i),~~~~
- 743 ~~the office shall redact information that identifies a recipient of a tax credit~~

744 under this section.

745 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~
 746 ~~(5)(a)(ii)~~, reporting the information described in Subsection ~~[(5)(b)(i)]~~ ~~(5)(a)(i)~~
 747 might disclose the identity of a recipient of a tax credit, the office may file a
 748 request with the Revenue and Taxation Interim Committee to provide the
 749 information described in Subsection ~~[(5)(b)(i)]~~ ~~(5)(a)(i)~~ in the aggregate for all
 750 development zones that receive the tax credit under this section.

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

755 ~~[(d)]~~ ~~The Revenue and Taxation Interim Committee shall ensure that the~~
 756 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~
 757 ~~[(i) the cost of the tax credit to the state;]~~
 758 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~
 759 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

760 Section 13. Section **59-10-1107** is amended to read:

761 **59-10-1107 . Refundable economic development tax credit.**

762 (1) As used in this section:

- 763 (a) "Business entity" means a claimant, estate, or trust that meets the definition of
 764 "business entity" as defined in Section 63N-2-103.
 765 (b) "Incremental job" means the same as that term is defined in Section 63N-1a-102.
 766 (c) "New state revenue" means the same as that term is defined in Section 63N-1a-102.
 767 (d) "Office" means the Governor's Office of Economic Opportunity.

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

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

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

776 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
 777 commission may make rules providing procedures for making a refund to a business

778 entity as required by Subsection (4)(a).

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

783 ~~[(b)] (a) [Except as provided in Subsection (5)(c), for purposes of the study required by~~
784 ~~this Subsection (5),] To assist the Revenue and Taxation Interim Committee with the~~
785 ~~review required by Section 59-10-137, the office shall provide the following~~
786 ~~information, if available to the office, to the Revenue and Taxation Interim~~
787 ~~Committee by electronic means:~~

788 (i) the amount of tax credit the office grants to each taxpayer for each calendar year;
789 (ii) the criteria the office uses in granting a tax credit;
790 (iii) the new state revenue generated by each taxpayer for each calendar year;
791 (iv) estimates for each of the next three calendar years of the following:
792 (A) the amount of tax credits that the office will grant;
793 (B) the amount of new state revenue that will be generated; and
794 (C) the number of new incremental jobs within the state that will be generated;
795 (v) the information contained in the office's latest report under Section 63N-2-106;
796 and
797 (vi) any other information that the Revenue and Taxation Interim Committee requests.

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

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

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

809 ~~[(i) the cost of the tax credit to the state;]~~
810 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~
811 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

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

813 **59-10-1108 . Refundable motion picture tax credit.**

814 (1) As used in this section:

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

817 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
818 63N-1a-301.

819 (c) "State-approved production" means the same as that term is defined in Section
820 63N-8-102.

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

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

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

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

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

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

842 (A) the amount of tax credit the office grants to each taxpayer for each calendar
843 year;

844 (B) estimates of the amount of tax credit that the office will grant for each of the
845 next three calendar years;

- 846 (C) the criteria the office uses in granting a tax credit;
- 847 (D) the dollars left in the state, as defined in Section 63N-8-102, by each motion
848 picture company for each calendar year;
- 849 (E) the information contained in the office's latest report under Section 63N-8-105;
850 and
- 851 (F) any other information that the Office of the Legislative Fiscal Analyst requests.
- 852 (ii)~~(A)~~ In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i),
853 the office shall redact information that identifies a recipient of a tax credit
854 under this section.
- 855 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~
856 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)
857 might disclose the identity of a recipient of a tax credit, the office may file a
858 request with the Revenue and Taxation Interim Committee to provide the
859 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all
860 taxpayers that receive the tax credit under this section.
- 861 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (5), the]~~ The Office of the
862 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim
863 Committee a summary and analysis of the information provided to the Office of the
864 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ (5)(a).
- 865 ~~[(d)]~~ The Revenue and Taxation Interim Committee shall ensure that the
866 recommendations described in Subsection (5)(a) include an evaluation of:]
- 867 [(i) the cost of the tax credit to the state;]
- 868 [(ii) the effectiveness of the tax credit; and]
- 869 [(iii) the extent to which the state benefits from the tax credit.]

870 **Section 15. Effective Date.**

871 This bill takes effect on May 7, 2025.