

Melissa G. Ballard proposes the following substitute bill:

Tax Penalties Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Melissa G. Ballard

Senate Sponsor: Heidi Balderree

LONG TITLE

General Description:

This bill addresses tax penalties within the Individual Income Tax Act.

Highlighted Provisions:

This bill:

- removes marriage penalties from certain individual income tax credits over a five-year period, resulting in the income phaseout amounts for filers who have single, head of household, or married filing separately status, beginning in 2030, to be half of the amount for filers who have joint filing status; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-10-1018, as last amended by Laws of Utah 2023, Chapter 459

59-10-1019, as last amended by Laws of Utah 2022, Chapter 258

59-10-1042, as last amended by Laws of Utah 2025, Chapter 182

59-10-1047, as last amended by Laws of Utah 2025, Chapter 407

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

Section 1. Section **59-10-1018** is amended to read:

59-10-1018 . Definitions -- Nonrefundable taxpayer tax credits.

(1) As used in this section:

- (a) "Head of household filing status" means a head of household, as defined in Section 2(b), Internal Revenue Code, who files a single federal individual income tax return

30 for the taxable year.

31 (b) "Joint filing status" means:

32 (i) spouses who file a single return jointly under this chapter for a taxable year; or

33 (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a
34 single federal individual income tax return for the taxable year.

35 (c) "Married filing separately status" means a married individual who:

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

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

39 [(e)] (d) "Qualifying dependent" means an individual with respect to whom the claimant
40 is allowed to claim a tax credit under Section 24, Internal Revenue Code, on the
41 claimant's federal individual income tax return for the taxable year.

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

44 [(i) a single individual who files a single federal individual income tax return for the
45 taxable year; or]

46 [(ii) a married individual who:]

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

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

50 [(e)] (f) "State or local income tax" means the lesser of:

51 (i) the amount of state or local income tax that the claimant:

52 (A) pays for the taxable year; and

53 (B) reports on the claimant's federal individual income tax return for the taxable
54 year, regardless of whether the claimant is allowed an itemized deduction on
55 the claimant's federal individual income tax return for the taxable year for the
56 full amount of state or local income tax paid; and

57 (ii) \$10,000.

58 [(f)] (g)(i) "Utah itemized deduction" means the amount the claimant deducts as
59 allowed as an itemized deduction on the claimant's federal individual income tax
60 return for that taxable year minus any amount of state or local income tax for the
61 taxable year.

62 (ii) "Utah itemized deduction" does not include any amount of qualified business
63 income that the claimant subtracts as allowed by Section 199A, Internal Revenue

- 64 Code, on the claimant's federal income tax return for that taxable year.
- 65 ~~[(g)]~~ (h) "Utah personal exemption" means, subject to Subsection (6), \$1,750 multiplied
- 66 by the number of the claimant's qualifying dependents plus an additional qualifying
- 67 dependent in the year of a qualifying dependent's birth.
- 68 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through (5),
- 69 a claimant may claim a nonrefundable tax credit against taxes otherwise due under this [
- 70 part] chapter equal to the sum of:
- 71 (a)(i) for a claimant that deducts the standard deduction on the claimant's federal
- 72 individual income tax return for the taxable year, 6% of the amount the claimant
- 73 deducts as allowed as the standard deduction on the claimant's federal individual
- 74 income tax return for that taxable year; or
- 75 (ii) for a claimant that itemizes deductions on the claimant's federal individual
- 76 income tax return for the taxable year, 6% of the amount of the claimant's Utah
- 77 itemized deduction; and
- 78 (b) 6% of the claimant's Utah personal exemption.
- 79 (3) A claimant may not carry forward or carry back a tax credit under this section.
- 80 (4)(a) ~~[The]~~ For the taxable year beginning on January 1, 2026, the tax credit allowed by
- 81 Subsection (2) shall be reduced by \$.013 for each dollar by which a claimant's state
- 82 taxable income exceeds:
- 83 ~~[(a)]~~ (i) for a claimant who has a single filing status or a married filing separately
- 84 status, [\$15,095] \$16,652;
- 85 ~~[(b)]~~ (ii) for a claimant who has a head of household filing status, ~~[\$22,643]~~ \$25,800;
- 86 or
- 87 ~~[(c)]~~ (iii) for a claimant who has a joint filing status, ~~[\$30,190]~~ \$33,304.
- 88 (b) For the taxable year beginning on January 1, 2027, the tax credit allowed by
- 89 Subsection (2) shall be reduced by \$.013 for each dollar by which a claimant's state
- 90 taxable income exceeds:
- 91 (i) for a claimant who has a single filing status or a married filing separately status,
- 92 \$16,652;
- 93 (ii) for a claimant who has a head of household filing status, \$24,500; or
- 94 (iii) for a claimant who has a joint filing status, \$33,304.
- 95 (c) For the taxable year beginning on January 1, 2028, the tax credit allowed by
- 96 Subsection (2) shall be reduced by \$.013 for each dollar by which a claimant's state
- 97 taxable income exceeds:

- 98 (i) for a claimant who has a single filing status or a married filing separately status,
 99 \$16,652;
- 100 (ii) for a claimant who has a head of household filing status, \$22,100; or
 101 (iii) for a claimant who has a joint filing status, \$33,304.
- 102 (d) For the taxable year beginning on January 1, 2029, the tax credit allowed by
 103 Subsection (2) shall be reduced by \$.013 for each dollar by which a claimant's state
 104 taxable income exceeds:
- 105 (i) for a claimant who has a single filing status or a married filing separately status,
 106 \$16,652;
- 107 (ii) for a claimant who has a head of household filing status, \$18,800; or
 108 (iii) for a claimant who has a joint filing status, \$33,304.
- 109 (e) For a taxable year beginning on or after January 1, 2030, the tax credit allowed by
 110 Subsection (2) shall be reduced by \$.013 for each dollar by which a claimant's state
 111 taxable income exceeds:
- 112 (i) for a claimant who has a single filing status, a head of household filing status, or a
 113 married filing separately status, \$16,652; or
- 114 (ii) for a claimant who has a joint filing status, \$33,304.
- 115 (5)(a) For a taxable year beginning on or after January 1, ~~[2022]~~ 2031, the commission
 116 shall increase or decrease annually the ~~[following dollar amounts]~~ dollar amount
 117 listed in Subsection (4)(e)(i) by a percentage equal to the percentage difference
 118 between the consumer price index for the preceding calendar year and the consumer
 119 price index for calendar year ~~[2020:]~~ 2029.
- 120 ~~[(i) the dollar amount listed in Subsection (4)(a); and]~~
 121 ~~[(ii) the dollar amount listed in Subsection (4)(b).]~~
- 122 (b) After the commission increases or decreases the dollar ~~[amounts listed in Subsection~~
 123 ~~(5)(a)]~~ amount listed in Subsection (4)(e)(i) as required by Subsection (5)(a), the
 124 commission shall round [those dollar amounts listed in Subsection (5)(a)] that dollar
 125 amount to the nearest whole dollar.
- 126 (c) After the commission rounds the dollar ~~[amounts]~~ amount as required by Subsection
 127 (5)(b), the commission shall increase or decrease the dollar amount listed in
 128 Subsection ~~[(4)(e)]~~ (4)(e)(ii) so that the dollar amount listed in Subsection ~~[(4)(e)]~~
 129 (4)(e)(ii) is equal to the product of:
- 130 (i) the dollar amount listed in Subsection ~~[(4)(a)]~~ (4)(e)(i); and
- 131 (ii) two.

132 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer price
133 index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

134 (6)(a) For a taxable year beginning on or after January 1, 2022, the commission shall
135 increase annually the Utah personal exemption amount listed in Subsection [~~(1)(g)~~]
136 (1)(h) by a percentage equal to the percentage by which the consumer price index for
137 the preceding calendar year exceeds the consumer price index for calendar year 2020.

138 (b) After the commission increases the Utah personal exemption amount as described in
139 Subsection (6)(a), the commission shall round the Utah personal exemption amount
140 to the nearest whole dollar.

141 (c) For purposes of Subsection (6)(a), the commission shall calculate the consumer price
142 index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

143 Section 2. Section **59-10-1019** is amended to read:

144 **59-10-1019 . Definitions -- Nonrefundable retirement tax credit.**

145 (1) As used in this section:

146 (a) "Eligible claimant" means a claimant, regardless of whether that claimant is retired,
147 who was born on or before December 31, 1952.

148 (b) "Head of household filing status" means the same as that term is defined in Section
149 59-10-1018.

150 (c) "Joint filing status" means the same as that term is defined in Section 59-10-1018.

151 (d) "Married filing separately status" means a married individual who:

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

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

155 (e) "Modified adjusted gross income" means the sum of the following for an eligible
156 claimant or, if the eligible claimant's return under this chapter is allowed a joint filing
157 status, the eligible claimant and the eligible claimant's spouse:

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

160 (ii) any interest income that is not included in adjusted gross income for the taxable
161 year described in Subsection (1)(e)(i); and

162 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
163 taxable year described in Subsection (1)(e)(i).

164 (f) "Single filing status" means a single individual who files a single federal individual
165 income tax return for the taxable year.

- 166 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), each eligible
167 claimant may claim a nonrefundable tax credit of \$450 against taxes otherwise due
168 under this ~~[part]~~ chapter.
- 169 (3) An eligible claimant may not:
- 170 (a) carry forward or carry back the amount of a tax credit under this section that exceeds
171 the eligible claimant's tax liability for the taxable year; or
- 172 (b) claim a tax credit under this section for a taxable year if a tax credit under Section
173 59-10-1042 or 59-10-1043 is claimed on the claimant's return for the same taxable
174 year.
- 175 (4)(a) ~~[The]~~ For the taxable year beginning on January 1, 2026, the tax credit allowed by
176 Subsection (2) claimed on a return filed under this ~~[part]~~ chapter shall be reduced by
177 \$.025 for each dollar by which modified adjusted gross income for purposes of the
178 return exceeds:
- 179 ~~[(a)]~~ (i) for a federal individual income tax return that is allowed a married filing
180 separately status, \$16,000;
- 181 ~~[(b)]~~ (ii) for a federal individual income tax return that is allowed a single filing
182 status, ~~[\$25,000]~~ \$24,400;
- 183 ~~[(c)]~~ (iii) for a federal individual income tax return that is allowed a head of
184 household filing status, ~~[\$32,000]~~ \$31,200; or
- 185 ~~[(d)]~~ (iv) for a ~~[return under this chapter]~~ federal individual income tax return that is
186 allowed a joint filing status, \$32,000.
- 187 (b) For the taxable year beginning on January 1, 2027, the tax credit allowed by
188 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
189 for each dollar by which modified adjusted gross income for purposes of the return
190 exceeds:
- 191 (i) for a federal individual income tax return that is allowed a married filing
192 separately status, \$16,000;
- 193 (ii) for a federal individual income tax return that is allowed a single filing status,
194 \$23,200;
- 195 (iii) for a federal individual income tax return that is allowed a head of household
196 filing status, \$29,600; or
- 197 (iv) for a federal individual income tax return that is allowed a joint filing status,
198 \$32,000.
- 199 (c) For the taxable year beginning on January 1, 2028, the tax credit allowed by

200 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
201 for each dollar by which modified adjusted gross income for purposes of the return
202 exceeds:

203 (i) for a federal individual income tax return that is allowed a married filing
204 separately status, \$16,000;

205 (ii) for a federal individual income tax return that is allowed a single filing status,
206 \$20,800;

207 (iii) for a federal individual income tax return that is allowed a head of household
208 filing status, \$26,700; or

209 (iv) for a federal individual income tax return that is allowed a joint filing status,
210 \$32,000.

211 (d) For the taxable year beginning on January 1, 2029, the tax credit allowed by
212 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
213 for each dollar by which modified adjusted gross income for purposes of the return
214 exceeds:

215 (i) for a federal individual income tax return that is allowed a married filing
216 separately status, \$16,000;

217 (ii) for a federal individual income tax return that is allowed a single filing status,
218 \$17,700;

219 (iii) for a federal individual income tax return that is allowed a head of household
220 filing status, \$22,700; or

221 (iv) for a federal individual income tax return that is allowed a joint filing status,
222 \$32,000.

223 (e) For a taxable year beginning on or after January 1, 2030, the tax credit allowed by
224 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
225 for each dollar by which modified adjusted gross income for purposes of the return
226 exceeds:

227 (i) for a federal individual income tax return that is allowed a single filing status, a
228 head of household filing status, or a married filing separately status, \$16,000; or

229 (ii) for a federal individual income tax return that is allowed a joint filing status,
230 \$32,000.

231 Section 3. Section **59-10-1042** is amended to read:

232 **59-10-1042 . Nonrefundable tax credit for social security benefits.**

233 (1) As used in this section:

- 234 (a) "Head of household filing status" means the same as that term is defined in Section
235 59-10-1018.
- 236 (b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.
- 237 (c) "Married filing separately status" means a married individual who:
238 (i) does not file a single federal individual income tax return jointly with that married
239 individual's spouse for the taxable year; and
240 (ii) files a single federal individual income tax return for the taxable year.
- 241 (d) "Modified adjusted gross income" means the sum of the following for a claimant or,
242 if the claimant's return under this chapter is allowed a joint filing status, the claimant
243 and the claimant's spouse:
244 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
245 this section;
246 (ii) any interest income that is not included in adjusted gross income for the taxable
247 year described in Subsection (1)(d)(i); and
248 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
249 taxable year described in Subsection (1)(d)(i).
- 250 (e) "Single filing status" means a single individual who files a single federal individual
251 income tax return for the taxable year.
- 252 (f) "Social security benefit" means an amount received by a claimant as a monthly
253 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.
- 254 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), each claimant
255 on a return that receives a social security benefit may claim a nonrefundable tax credit
256 against taxes otherwise due under this ~~[part]~~ chapter equal to the product of:
257 (a) the percentage listed in Subsection 59-10-104(2); and
258 (b) the claimant's social security benefit that is included in the claimant's state taxable
259 income for the taxable year.
- 260 (3) A claimant may not:
261 (a) carry forward or carry back the amount of a tax credit under this section that exceeds
262 the claimant's tax liability for the taxable year; or
263 (b) claim a tax credit under this section for a taxable year if a tax credit under Section
264 59-10-1019 is claimed on the claimant's return for the same taxable year.
- 265 (4)(a) ~~[The]~~ For the taxable year beginning on January 1, 2026, the tax credit allowed by
266 Subsection (2) claimed on a return filed under this ~~[part]~~ chapter shall be reduced by
267 \$.025 for each dollar by which modified adjusted gross income for purposes of the

- 268 return exceeds:
- 269 ~~[(a)]~~ (i) for a return filed under this chapter that is allowed a married filing separately
270 status, \$45,000;
- 271 ~~[(b)]~~ (ii) for a return filed under this chapter that is allowed a single filing status, [
272 \$54,000] \$53,500;
- 273 ~~[(c)]~~ (iii) for a return filed under this chapter that is allowed a head of household filing
274 status, [~~\$90,000~~] \$85,500; or
- 275 ~~[(d)]~~ (iv) for a return filed under this chapter that is allowed a joint filing status,
276 \$90,000.
- 277 (b) For the taxable year beginning on January 1, 2027, the tax credit allowed by
278 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
279 for each dollar by which modified adjusted gross income for purposes of the return
280 exceeds:
- 281 (i) for a return filed under this chapter that is allowed a married filing separately
282 status, \$45,000;
- 283 (ii) for a return filed under this chapter that is allowed a single filing status, \$52,100;
- 284 (iii) for a return filed under this chapter that is allowed a head of household filing
285 status, \$77,000; or
- 286 (iv) for a return filed under this chapter that is allowed a joint filing status, \$90,000.
- 287 (c) For the taxable year beginning on January 1, 2028, the tax credit allowed by
288 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
289 for each dollar by which modified adjusted gross income for purposes of the return
290 exceeds:
- 291 (i) for a return filed under this chapter that is allowed a married filing separately
292 status, \$45,000;
- 293 (ii) for a return filed under this chapter that is allowed a single filing status, \$49,500;
- 294 (iii) for a return filed under this chapter that is allowed a head of household filing
295 status, \$65,400; or
- 296 (iv) for a return filed under this chapter that is allowed a joint filing status, \$90,000.
- 297 (d) For the taxable year beginning on January 1, 2029, the tax credit allowed by
298 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
299 for each dollar by which modified adjusted gross income for purposes of the return
300 exceeds:
- 301 (i) for a return filed under this chapter that is allowed a married filing separately

- 302 status, \$45,000;
303 (ii) for a return filed under this chapter that is allowed a single filing status, \$45,800;
304 (iii) for a return filed under this chapter that is allowed a head of household filing
305 status, \$52,300; or
306 (iv) for a return filed under this chapter that is allowed a joint filing status, \$90,000.
307 (e) For a taxable year beginning on or after January 1, 2030, the tax credit allowed by
308 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.025
309 for each dollar by which modified adjusted gross income for purposes of the return
310 exceeds:
311 (i) for a return filed under this chapter that is allowed a single filing status, a head of
312 household filing status, or a married filing separately status, \$45,000; or
313 (ii) for a return filed under this chapter that is allowed a joint filing status, \$90,000.
314 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
315 commission may make rules governing the calculation and method for claiming the tax
316 credit described in this section.

317 Section 4. Section **59-10-1047** is amended to read:

318 **59-10-1047 . Nonrefundable child tax credit.**

- 319 (1) As used in this section:
320 (a) "Joint filing status" means the same as that term is defined in Section 59-10-1018.
321 (b) "Head of household filing status" means the same as that term is defined in Section
322 59-10-1018.
323 (c) "Married filing separately status" means a married individual who:
324 (i) does not file a single federal individual income tax return jointly with that married
325 individual's spouse for the taxable year; and
326 (ii) files a single federal individual income tax return for the taxable year.
327 (d) "Modified adjusted gross income" means the sum of the following for a claimant or,
328 if the claimant's federal individual income tax return is allowed a joint filing status,
329 the claimant and the claimant's spouse:
330 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
331 this section;
332 (ii) any interest income that is not included in adjusted gross income for the taxable
333 year described in Subsection (1)(d)(i); and
334 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
335 taxable year described in Subsection (1)(d)(i).

- 336 (e) "Qualifying child" means an individual:
- 337 (i) with respect to whom the claimant is allowed to claim a tax credit under Section
- 338 24, Internal Revenue Code, on the claimant's federal individual income tax return
- 339 for the taxable year; and
- 340 (ii) who is under six years old on the last day of the claimant's taxable year.
- 341 (f) "Single filing status" means a single individual who files a single federal individual
- 342 income tax return for the taxable year.
- 343 (2) Subject to Section 59-10-1002.2, a claimant may claim a nonrefundable tax credit of
- 344 \$1,000 for each qualifying child.
- 345 (3) A claimant may not carry forward or carry back the amount of the tax credit that
- 346 exceeds the claimant's tax liability.
- 347 (4)(a) For the taxable year beginning on January 1, 2026, the tax credit allowed by
- 348 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.10
- 349 for each dollar by which modified adjusted gross income for purposes of the return
- 350 exceeds:
- 351 (i) for a federal individual income tax return that is allowed a married filing
- 352 separately status, \$27,000;
- 353 (ii) for a federal individual income tax return that is allowed a single filing status or a
- 354 head of household filing status, \$41,900; or
- 355 (iii) for a federal individual income tax return that is allowed a joint filing status,
- 356 \$54,000.
- 357 (b) For the taxable year beginning on January 1, 2027, the tax credit allowed by
- 358 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.10
- 359 for each dollar by which modified adjusted gross income for purposes of the return
- 360 exceeds:
- 361 (i) for a federal individual income tax return that is allowed a married filing
- 362 separately status, \$27,000;
- 363 (ii) for a federal individual income tax return that is allowed a single filing status or a
- 364 head of household filing status, \$39,800; or
- 365 (iii) for a federal individual income tax return that is allowed a joint filing status,
- 366 \$54,000.
- 367 (c) For the taxable year beginning on January 1, 2028, the tax credit allowed by
- 368 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.10
- 369 for each dollar by which modified adjusted gross income for purposes of the return

- 370 exceeds:
- 371 (i) for a federal individual income tax return that is allowed a married filing
 372 separately status, \$27,000;
- 373 (ii) for a federal individual income tax return that is allowed a single filing status or a
 374 head of household filing status, \$35,800; or
- 375 (iii) for a federal individual income tax return that is allowed a joint filing status,
 376 \$54,000.
- 377 (d) For the taxable year beginning on January 1, 2029, the tax credit allowed by
 378 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.10
 379 for each dollar by which modified adjusted gross income for purposes of the return
 380 exceeds:
- 381 (i) for a federal individual income tax return that is allowed a married filing
 382 separately status, \$27,000;
- 383 (ii) for a federal individual income tax return that is allowed a single filing status or a
 384 head of household filing status, \$30,500; or
- 385 (iii) for a federal individual income tax return that is allowed a joint filing status,
 386 \$54,000.
- 387 (e) For a taxable year beginning on or after January 1, 2030, the tax credit allowed by
 388 Subsection (2) claimed on a return filed under this chapter shall be reduced by \$.10
 389 for each dollar by which modified adjusted gross income for purposes of the return
 390 exceeds:
- 391 (i) for a federal individual income tax return that is allowed a single filing status, a
 392 head of household filing status, or a married filing separately status, \$27,000; or
- 393 (ii) for a federal individual income tax return that is allowed a joint filing status,
 394 \$54,000.
- 395 ~~[(4) The tax credit allowed by Subsection (2) claimed on a return filed under this part shall~~
 396 ~~be reduced by \$.10 for each dollar by which modified adjusted gross income for~~
 397 ~~purposes of the return exceeds:]~~
- 398 ~~[(a) for a federal individual income tax return that is allowed a married filing separately~~
 399 ~~status, \$27,000;]~~
- 400 ~~[(b) for a federal individual income tax return that is allowed a single filing status or~~
 401 ~~head of household filing status, \$43,000; and]~~
- 402 ~~[(c) for a federal individual income tax return that is allowed a joint filing status,~~
 403 ~~\$54,000.]~~

404 Section 5. **Effective Date.**

405 This bill takes effect on May 6, 2026.

406 Section 6. **Retrospective operation.**

407 This bill has retrospective operation for a taxable year beginning on or after January 1,

408 2026.