

Tax Credit Modifications
2026 GENERAL SESSION
STATE OF UTAH
Chief Sponsor: Brady Brammer
House Sponsor:

LONG TITLE

General Description:

This bill modifies income tax credits for donations to the Carson Smith Opportunity Scholarship Program.

Highlighted Provisions:

This bill:

▸ allows claimants for the nonrefundable corporate and individual income tax credits for donations to the Carson Smith Opportunity Scholarship Program to:

- claim any portion of the tax credit amount listed on the tax credit certificate for a taxable year; and

- carry forward or carry back the amount of the tax credit that is unclaimed; and

- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-7-625, as last amended by Laws of Utah 2024, Chapter 466

59-10-1041, as last amended by Laws of Utah 2024, Chapter 466

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

Section 1. Section **59-7-625** is amended to read:

59-7-625 . Nonrefundable tax credit for a donation to the Carson Smith Opportunity Scholarship Program.

(1) A taxpayer that makes a donation to the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402 may claim a nonrefundable tax credit equal to [100%] any portion of the amount stated on a tax credit certificate issued in accordance with

31 Section 53E-7-407.

32 (2) If ~~[the]~~ any amount of a tax credit listed on the tax credit certificate ~~[exceeds a taxpayer's~~
33 ~~liability under this chapter]~~ is unclaimed for a taxable year, the taxpayer:

34 (a) may carry forward the unclaimed amount of the tax credit ~~[exceeding the liability]~~
35 for a period that does not exceed the next three taxable years; and

36 (b) may carry back the unclaimed amount of the tax credit ~~[that exceeds the taxpayer's~~
37 ~~tax liability]~~ to the previous taxable year.

38 Section 2. Section **59-10-1041** is amended to read:

39 **59-10-1041 . Nonrefundable tax credit for a donation to the Carson Smith**
40 **Opportunity Scholarship Program.**

41 (1) Except as provided in Subsection (3), a claimant, estate, or trust that makes a donation
42 to the Carson Smith Opportunity Scholarship Program established in Section 53E-7-402
43 may claim a nonrefundable tax credit equal to ~~[100%]~~ any portion of the amount stated
44 on a tax credit certificate issued in accordance with Section 53E-7-407.

45 (2) If ~~[the]~~ any amount of a tax credit listed on the tax credit certificate ~~[exceeds a~~
46 ~~claimant's, estate's, or trust's tax liability under this chapter]~~ is unclaimed for a taxable
47 year, the claimant, estate, or trust:

48 (a) may carry forward the unclaimed amount of the tax credit ~~[exceeding the liability]~~
49 for a period that does not exceed the next three taxable years; and

50 (b) may carry back the unclaimed amount of the tax credit ~~[that exceeds the claimant's,~~
51 ~~estate's, or trust's tax liability]~~ to the previous taxable year.

52 (3) A claimant, estate, or trust may not claim a credit described in Subsection (1) to the
53 extent the claimant, estate, or trust claims a donation described in Subsection (1) as an
54 itemized deduction on the claimant's, estate's, or trust's federal individual income tax
55 return for that taxable year.

56 Section 3. **Effective Date.**

57 This bill takes effect on May 6, 2026.

58 Section 4. **Retrospective operation.**

59 This bill has retrospective operation for a taxable year beginning on or after January 1,
60 2026.