

# Individual and Corporate Income Tax Credits by Category

Prepared by the OLRGC Tax Team (sources: Utah Code and Utah State Tax Commission)

**About the document:** Below is a list of the corporate and individual income tax credits. Credits are grouped into one of five categories: (1) business incentives, (2) charitable, (3) behavior incentives, (4) ease of administration, and (5) the taxpayer credit. Business incentives are further categorized into business development and establishment, infrastructure / investment, energy development and production, and motion picture incentives. Note that credits within Title 59, Chapter 7 are credits claimed on a corporate income tax return and credits within Title 59, Chapter 10 are credits claimed on an individual income tax return.

Reference #	Credit Code Section and Description (Effective date if recently enacted; notes) (Note: Click to view the code section.)	Brief Description of Credit Calculation [tax return cap] (notes)	Credit Notes: Refundable?; Carry back; Carry forward; Impacted fund; Credit cap	2017	2018	2019	2020
<b>Business Incentives (broken into four subcategories)</b>							
<b><i>Business Incentives - Business Development and Establishment</i></b>							
				240	281	308	322
1	59-7-612 Qualifying research expenses	% of qualified research expenses	No; CB0; CF14; EF; None	\$37,435,466	\$64,295,888	\$63,265,772	\$74,881,111
2	59-10-1012 Qualifying research expenses	% of qualified research expenses	No; CB0; CF14; EF; None	2,136 \$32,822,988	2,114 \$37,862,190	2,405 \$45,096,532	2,646 \$51,840,866
3	59-7-614.2 Economic development by a business entity, community reinvestment agency, or local government entity	Determined by GO Utah based on new state revenue / other factors	Yes; CB0; CF0; EF; None	30 \$11,507,715	22 \$18,590,591	19 \$10,585,878	20 \$14,632,388
4	59-10-1107 Economic development by a business entity, community reinvestment agency, or local government entity	Determined by GO Utah based on new state revenue / other factors	Yes; CB0; CF0; EF; None	11 \$12,085	60 \$2,141,052	76 \$3,295,614	59 \$2,438,882
5	59-7-614.10 Business investment in an enterprise zone (No new enterprise zones designated on or after 0/01/2021)	Determined by GO Utah based on jobs created / investment	No; CB0; CF3; EF; None	23 \$311,971	35 \$489,494	20 \$245,213	24 \$384,595
6	59-10-1037 Business investment in an enterprise zone (No new enterprise zones designated on or after 01/01/2021)	Determined by GO Utah based on jobs created / investment	No; CB0; CF3; EF; None	1,307 \$15,502,996	1,607 \$18,376,481	1,424 \$17,791,112	1,281 \$14,498,206

7	59-10-1022 Capital gains used to purchase qualifying stock in a Utah small business	4.95% of a qualifying capital gain transaction	No; CB0; CF0; EF; None	178 \$414,080	171 \$812,303	187 \$1,344,736	202 \$1,273,215
8	59-10-1025 Investment in a life science establishment developing or manufacturing medical products	35% of investment taken over three years [\$350k per year]	No; CB0; CF0; EF; \$1.6 million total	* \$1,000	* \$6,000	* \$90,000	* \$8,000
9	59-7-624 Targeted business tax credit for community investment project <i>(Scheduled for repeal 12/31/2024)</i>	Determined by GO Utah [\$100k per year]	Yes; CB0; CF0; EF; \$300,000 per year†	* \$1,000	* \$250,000	* \$200,000	0 \$0
10	59-10-1112 Targeted business tax credit for community investment project <i>(Scheduled for repeal 12/31/2024)</i>	Determined by GO Utah [\$100k per year]	Yes; CB0; CF0; EF; \$300,000 per year†	* \$60,000	* \$30,000	* \$150,000	* \$2,000
11	59-7-621 Rural jobs creation tax credit <i>(Effective 2017)</i>	Amount of eligible capital contribution to rural investment company taken over four years	No; CB0; CF7 (phase 1)/CF4 (phase 2); EF; \$24,360,000+ (ea. Phase)	0 0	0 0	0 0	0 \$0
12	59-10-1038 Rural job creation tax credit <i>(Effective 2017)</i>	Amount of eligible capital contribution to rural investment company taken over four years	No; CB0; CF7 (phase 1)/CF4 (phase 2); EF; \$24,360,000+ (ea phase)	* \$1,000	* \$1,000	0 0	* \$1,000
13	59-10-1045 Credit for taxes paid by pass-through entity <i>(Effective 2022; Available through TY 2025)</i>	Amount of tax on income attributed to a pass-through entity taxpayer that is paid by the pass-through entity	No; CB0; CF5; EF; None	-- --	-- --	-- --	-- --
<b>Subtotal</b>				<b>\$98,070,301</b>	<b>\$142,854,999</b>	<b>\$142,064,857</b>	<b>\$159,960,263</b>

**Business Incentives - Infrastructure / Investment**

14	59-7-601 Interest income from state and federal securities	1% of gross interest income	No; CB3; CF5; EF; None	41 \$1,107,351	49 \$2,767,766	58 \$1,352,111	54 \$1,748,827
15	59-7-607 Low-income housing	Determined by UHC [100% federal low-income housing credit]	No; CB3; CF5; EF; None	*	*	*	*
16	59-10-1010 Low-income housing	Determined by UHC [100% federal low-income housing credit]	No; CB3; CF5; EF; None	57 \$80,862	67 \$145,259	77 \$162,193	86 \$259,575
17	59-7-609 Restoration/preservation costs in connection with a certified historic building	20% of costs	No?; CB0; CF5; EF; None	0 \$0	0 \$0	*	*
18	59-10-1006 Restoration/preservation costs in connection with a certified historic building	20% of costs	No; CB0; CF5; EF; None	189 \$2,279,120	195 \$2,733,481	217 \$3,794,022	208 \$4,577,805
19	59-7-610 Machinery and equipment expenses and/or regular business expenses for recycling in a recycling market development zone	4.95% of mach/equip costs; 20% of other expenses up to \$2,000	No; CB0; CF3; EF; None	*	*	*	*
20	59-10-1007 Machinery and equipment expenses and/or regular business expenses for recycling in a recycling market development zone	4.95% of mach/equip costs; 20% of other expenses up to \$2,000	No; CB0; CF3; EF; None	78 \$184,480	70 \$155,564	16 \$29,871	* \$20,000
21	59-7-619 Development of high cost infrastructure (Effective 2016)	Determined by OED based on development costs / other factors	No; CB0; CF7; EF; None	0 0	0 0	0 0	0 \$0
22	59-10-1034 Development of high cost infrastructure (Effective 2016)	Determined by OED based on development costs / other factors	No; CB0; CF7; EF; None	* \$40,000	* \$20,000	* \$15,000	* \$45,000
<b>Subtotal</b>				<b>\$5,941,813</b>	<b>\$7,372,070</b>	<b>\$6,833,197</b>	<b>\$10,641,207</b>

**Business Incentives - Energy Development and Production**

23	59-7-614 Purchase or financing of <u>residential</u> renewable energy system (Will be removed from 2022 corporate tax return per Section 59-7-903)	25% of cost [\$2,000 per unit] (solar panel credit phased out by 2024)	No; CB0; CF4; EF; None	0 \$0	0 \$0	* \$9,000	* \$2,000
24	59-10-1014 Purchase or financing of <u>residential</u> renewable energy system	25% of cost [\$2,000 per unit] (solar panel credit phased out by 2024)	No; CB0; CF4; EF; None	4,222 \$8,331,710	2,915 \$4,422,455	4,331 \$7,009,588	5,900 \$9,321,989
25	59-7-614 Purchase or financing of <u>commercial</u> renewable energy system	10% of cost [\$50,000 per unit]; 35¢ per kwh used/sold [48 months]	Yes; CB0; CF0; EF; None	14 \$7,448,669	13 \$5,418,066	20 \$5,424,999	25 \$7,575,452
26	59-10-1106 Financing of <u>commercial</u> renewable energy system	10% of cost [\$50,000 per unit]; 35¢ per kwh used/sold [48 months]	Yes; CB0; CF0; EF; None	582 \$1,959,656	278 \$989,244	518 \$1,606,868	504 \$2,151,460
27	59-7-614.7 State revenue generated by an alternative energy project	Determined by OED based on new state revenue / other factors	No; CB0; CF7; EF; None	0 \$0	0 \$0	0 \$0	0 \$0
28	59-10-1029 State revenue generated by an alternative energy project	Determined by OED based on new state revenue / other factors	No; CB0; CF7; EF; None	0 \$0	0 \$0	0 \$0	0 \$0
29	59-10-1024 Purchase of solar energy units	25% of purchase [\$2,000]	No; CB0; CF4; EF; None	5,266 \$9,693,119	2,272 \$3,728,655	* \$3,000	* \$1,000
30	59-7-626 Nonrenewable hydrogen production system (Effective 2022)	0.12 per kg per year up to 5,600 metric tons [48 months]	Yes; CB0; CFO; EF; None	-- --	-- --	-- --	-- --
31	59-10-1113 Nonrenewable hydrogen production system (Effective 2022)	0.12 per kg per year up to 5,600 metric tons [48 months]	Yes; CB0; CFO; EF; None	-- --	-- --	-- --	-- --
<b>Subtotal</b>				<b>\$27,433,154</b>	<b>\$14,558,420</b>	<b>\$14,053,455</b>	<b>\$19,051,901</b>

**Business Incentives - Motion Picture Incentives**

32	59-7-614.5 Production costs of state-approved motion picture production	Determined by GO Utah based on \$ left in state / new state revenue	Yes; CB0; CF0; EF; \$6,793,700 per year†	17 \$5,017,153	*	*	*
33	59-10-1108 Production costs of state-approved motion picture production	Determined by GO Utah based on \$ left in state / new state revenue	Yes; CB0; CF0; EF; \$6,793,700 per year†	27 \$2,416,069	17 \$780,117	21 \$496,423	16 \$55,372
<b>Subtotal</b>				<b>\$7,433,222</b>	<b>\$6,280,117</b>	<b>\$6,996,423</b>	<b>\$56,372</b>
<b>Business Incentives credit total</b>				<b>\$138,878,490</b>	<b>\$171,065,606</b>	<b>\$169,947,932</b>	<b>\$189,709,743</b>
<b>Charitable (Aid for vulnerable population, offset cost of hardship or tragedy, etc.)</b>							
34	59-10-1035 Contribution to state Achieving a Better Life Experience Program account (Effective 2016)	4.95% of contribution	No; CB0; CF0; EF; None	46 \$26,783	52 \$46,578	59 \$24,813	72 \$87,005
35	59-7-617 Employment of person who is homeless (Effective 2015; Removed from corporate tax return beginning 2020 per Section 59-7-603)	Determined by DWS [\$2,000]	No; CB0; CF5; EF; \$100,000 per year†	0 \$0	0 \$0	0 \$0	0 \$0
36	59-10-1032 Employment of person who is homeless (Effective 2015)	Determined by DWS [\$2,000]	No; CB0; CF5; EF; \$100,000 per year†	33 \$23,285	19 \$13,807	19 \$17,726	36 \$30,365
37	59-10-1004 Contributions to a nonprofit rehabilitation facility for persons with a disability	50% of contribution [\$200]	No; CB0; CF0; EF; None	92 \$13,473	106 \$15,052	105 \$15,243	107 \$16,956
38	59-10-1015 Live organ donation expenses	Total amount of expenses [\$10k]	No; CB0; CF5; EF; None	67 \$132,314	49 \$74,563	82 \$180,782	65 \$172,615
39	59-10-1019 Retirement income tax credit for an individual born before 1953	\$450; (phaseout)	No; CB0; CF0; EF; None	92,827 \$47,742,947	87,078 \$44,364,635	83,805 \$42,626,416	85,453 \$43,875,409
40	59-10-1027 Tax liability of an individual who dies in military service in a combat zone	Amount of decedent's tax liability	No; CB0; CF0; EF; None	-- --	-- --	-- --	-- --
41	59-10-1031 Employment of recently deployed veteran	\$200 or \$400 per month of employment	No; CB0; CF5; EF; None	32 \$106,129	15 \$25,485	* \$2,000	13 \$26,142

42	59-10-1036 Military survivor benefits for surviving spouse or dependent child <i>(Effective 2017)</i>	4.95% of survivor benefits	No; CB0; CF0; EF; None	70 \$165,156	78 \$216,136	78 \$233,173	97 \$474,406
43	59-10-1104 Adoption of child who has a special need	\$1,000 per return	Yes; CB0; CF0; EF; None	209 \$198,594	224 \$214,487	171 \$163,086	133 \$127,152
44	59-10-1111 Psychiatrists/mental health practitioner tax credit <i>(Effective 2017)</i>	\$10,000 per year for up to 10 years	Yes; CB0; CF0; EF; None	18 \$260,558	39 \$368,963	73 \$740,013	135 \$1,323,418
45	59-10-1042 Social security benefits tax credit <i>(Effective 2021)</i>	4.95% of social security benefit included in federal return AGI with phaseout	No; CB0; CF0; EF; None	-- --	-- --	-- --	-- --
46	59-10-1043 Military retirement tax credit <i>(Effective 2021)</i>	4.95% of military retirement pay included in federal return AGI	No; CB0; CF0; EF; None	-- --	-- --	-- --	-- --
47	59-10-1044 Earned Income tax credit <i>(Effective 2022)</i>	15% of federal EITC	No; CB0; CF0; EF; None	-- --	-- --	-- --	-- --

**Charitable credits total**

**\$48,669,239      \$45,339,706      \$44,003,252      \$46,133,468**

**Incentive for Specific Behavior (at-home parent, clean vehicle, health benefit plan, education)**

48	59-7-618.1 Purchase of alternative fuel heavy duty vehicle <i>(Reenacted 2021)</i>	\$1,500 to \$15,000 per vehicle (2021-2030 purchases)	No; CB0; CF5; EF; \$500,000 per year†	* 8,000	* 350,000	* 80,000	0 0
49	59-10-1033.1 Purchase of alternate fuel heavy duty vehicle <i>(Reenacted 2021)</i>	\$1,500 to \$15,000 per vehicle (2021-2030 purchases)	No; CB0; CF5; EF; \$500,000 per year†	* \$200,000	13 \$66,080	* \$4,000	* \$25,000
50	59-10-1005 Full-time at-home parent	\$100 per qualifying child	No; CB0; CF0; GF; None	3,769 \$381,900	3,204 \$324,200	2,891 \$294,800	2,820 \$285,505
51	59-10-1017 Contributions to a Utah Educational Savings Plan	4.95% of contribution [\$1,900 or \$3,800]	No; CB0; CF0; EF; None	18,232 \$3,085,610	19,196 \$3,309,174	20,219 \$3,699,781	20,782 \$3,966,238
52	59-10-1023 Cost of health benefit plan	4.95% of specified health benefit plan costs; [\$300, \$600, or \$900 per year, based on filing status]	No; CB0; CF0; EF; None	9,014 \$1,460,518	9,622 \$1,639,703	11,625 \$1,963,503	17,696 \$2,781,379

53	59-7-625 Donations to Special Needs Opportunity Scholarship Program (Effective 2021)	Amount of donation	No; CB0; CF3; EF; \$5,940,000 (for 2021)†	--	--	--	--
54	59-10-1041 Donations to Special Needs Opportunity Scholarship Program (Effective 2021)	Amount of donation	No; CB0; CF3; EF; \$5,940,000 (for 2021)†	--	--	--	--
<b>Incentives for Specific Behavior credit total</b>				<b>\$5,136,028</b>	<b>\$5,689,157</b>	<b>\$6,042,084</b>	<b>\$7,058,122</b>
<b>Ease of Administration (sales tax refund, gas tax refund, would be deduction)</b>							
55	59-7-614.1 Purchase of hand tool costing over \$250 to be used in farming operations	Amount of sales tax paid on tool	Yes; CB0; CF0; GF; None	*	*	*	*
				\$1,000	\$1,000	\$1,000	\$1,000
56	59-10-1105 Purchase of hand tool costing over \$250 to be used in farming operations	Amount of sales tax paid on tool	Yes; CB0; CF0; GF; None	38	41	35	42
				\$4,285	\$4,726	\$4,180	\$7,245
57	59-10-1028 Capital gains on exchange of legal tender	4.95% of taxable capital gain	No; CB0; CF0; EF; None	49	42	53	87
				\$70,109	\$58,950	\$90,556	\$297,166
58	59-13-202 Gas tax on gas used for nonhighway agricultural uses (corporate and individual)	Amount of tax paid on gas	Yes; CB0; CF0; TF; None	529	511	496	424
				\$153,222	\$169,059	\$139,449	\$126,117
59	59-7-623 Guaranty association assessment tax credit (Effective 2019)	Amount of guaranty association assessment taken over five years	No; CB0; CF; EF; None	--	--	0	\$0
				--	--	\$0	\$0
<b>Ease of Administration credit total</b>				<b>\$228,616</b>	<b>\$233,735</b>	<b>\$235,185</b>	<b>\$431,528</b>
<b>Taxpayer Credit</b>							
60	59-10-1018 Taxpayer credit based on federal deductions and state personal exemptions	6% X (deductions + exemptions) - phaseout	No; CB0; CF0; EF; None	1,213,447	1,233,548	1,282,515	1,308,331
				\$1,146,615,149	\$1,195,780,896	\$1,255,035,579	\$1,420,863,697
<b>TOTAL FOR ALL CREDITS</b>				<b>\$1,339,527,522</b>	<b>\$1,418,109,100</b>	<b>\$1,475,264,032</b>	<b>\$1,664,196,558</b>