

# Individual and Corporate Income Tax Credits by Category and Amount Claimed

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. Within each category, credits are listed in order of the total amount of tax credits claimed for the 2020 tax year, from highest to lowest. Parallel corporate and individual tax credits are combined. 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)	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</b>			
1	59-7-612 & 59-10-1-1012 Qualifying research expenses	% of qualified research expenses	No; CB0; CF14; EF; None	\$70,258,454	\$102,158,078	\$108,362,304	\$126,721,977
2	59-7-614.2 & 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	\$11,519,800	\$20,731,643	\$13,881,492	\$17,071,270
3	59-10-1037 & 59-7-614.10 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	\$15,814,967	\$18,865,975	\$18,036,325	\$14,882,801
4	59-7-614 & 59-10-1106 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	\$9,408,325	\$6,407,310	\$7,031,867	\$9,726,912
5	59-10-1014 & 59-7-614 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	\$8,331,710	\$4,422,455	\$7,018,588	\$9,323,989

6	59-10-1006 & 59-7-609 Restoration/preservation costs in connection with a certified historic building	20% of costs	No; CB0; CF5; EF; None	\$2,279,120	\$2,733,481	\$3,874,022	\$4,667,805
7	59-7-607 & 59-10-1010 Low-income housing	Determined by UHC [100% federal low-income housing credit]	No; CB3; CF5; EF; None	\$1,080,862	\$1,395,259	\$862,193	\$4,009,575
8	59-7-601 Interest income from state and federal securities	1% of gross interest income	No; CB3; CF5; EF; None	\$1,107,351	\$2,767,766	\$1,352,111	\$1,748,827
9	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	\$414,080	\$812,303	\$1,344,736	\$1,273,215
10	59-7-610 & 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	\$1,434,480	\$455,564	\$729,871	\$170,000
11	59-10-1108 & 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†	\$7,433,222	\$6,280,117	\$6,996,423	\$56,372
12	59-10-1034 & 59-7-619 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
13	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
14	59-10-1112 & 59-7-624 Targeted business tax credit for community investment project (Scheduled for repeal 12/31/2024)	Determined by GO Utah [\$100k per year]	Yes; CB0; CF0; EF; \$300,000 per year†	\$61,000	\$280,000	\$350,000	\$2,000
15	59-10-1038 & 59-7-621 Rural job creation tax credit (Effective 2017)	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	\$1,000

16	59-10-1024 Purchase of solar energy units	25% of purchase [\$2,000]	No; CB0; CF4; EF; None	\$9,693,119	\$3,728,655	\$3,000	\$1,000
17	59-10-1045 Credit for taxes paid by pass-through entity (Effective 2022; Available through TY 2025)	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	--	--	--	\$0
18	59-7-626 & 59-7-1113 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	--	--	--	\$0
19	59-7-614.7 & 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
<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>							
20	59-10-1019 Retirement income tax credit for an individual born before 1953	\$450; (phaseout)	No; CB0; CF0; EF; None	\$47,742,947	\$44,364,635	\$42,626,416	\$43,875,409
21	59-10-1111 Psychiatrists/mental health practitioner tax credit (Effective 2017)	\$10,000 per year for up to 10 years	Yes; CB0; CF0; EF; None	\$260,558	\$368,963	\$740,013	\$1,323,418
22	59-10-1036 Military survivor benefits for surviving spouse or dependent child (Effective 2017)	4.95% of survivor benefits	No; CB0; CF0; EF; None	\$165,156	\$216,136	\$233,173	\$474,406
23	59-10-1015 Live organ donation expenses	Total amount of expenses [\$10k]	No; CB0; CF5; EF; None	\$132,314	\$74,563	\$180,782	\$172,615
24	59-10-1104 Adoption of child who has a special need	\$1,000 per return	Yes; CB0; CF0; EF; None	\$198,594	\$214,487	\$163,086	\$127,152
25	59-10-1035 Contribution to state Achieving a Better Life Experience Program account (Effective 2016)	4.95% of contribution	No; CB0; CF0; EF; None	\$26,783	\$46,578	\$24,813	\$87,005
26	59-10-1032 & 59-7-617 Employment of person who is homeless (Effective 2015)	Determined by DWS [\$2,000]	No; CB0; CF5; EF; \$100,000 per year†	\$23,285	\$13,807	\$17,726	\$30,365
27	59-10-1031 Employment of recently deployed veteran	\$200 or \$400 per month of employment	No; CB0; CF5; EF; None	\$106,129	\$25,485	\$2,000	\$26,142

28	59-10-1004 Contributions to a nonprofit rehabilitation facility for persons with a disability	50% of contribution [\$200]	No; CB0; CF0; EF; None	\$13,473	\$15,052	\$15,243	\$16,956
29	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	--	--	--	--
30	59-10-1042 Social security benefits tax credit (Effective 2021)	4.95% of social security benefit included in federal return AGI with phaseout	No; CBO; CF0; EF; None	--	--	--	--
31	59-10-1043 Military retirement tax credit (Effective 2021)	4.95% of military retirement pay included in federal return AGI	No; CBO; CF0; EF; None	--	--	--	--
32	59-10-1044 Earned Income tax credit (Effective 2022)	15% of federal EITC	No; CBO; CF0; EF; None	--	--	--	--
<b>Charitable credit total</b>				<b>\$48,669,239</b>	<b>\$45,339,706</b>	<b>\$44,003,252</b>	<b>\$46,133,468</b>
<b>Incentive for Specific Behavior (at-home parent, clean vehicle, health benefit plan, education)</b>							
33	59-10-1017 Contributions to a Utah Educational Savings Plan	4.95% of contribution [\$1,900 or \$3,800]	No; CB0; CF0; EF; None	\$3,085,610	\$3,309,174	\$3,699,781	\$3,966,238
34	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	\$1,460,518	\$1,639,703	\$1,963,503	\$2,781,379
35	59-10-1005 Full-time at-home parent	\$100 per qualifying child	No; CB0; CF0; GF; None	\$381,900	\$324,200	\$294,800	\$285,505
36	59-10-1033.1 & 59-7-618.1 Purchase of alternate fuel heavy duty vehicle (Reenacted 2021)	\$1,500 to \$15,000 per vehicle (2021-2030 purchases)	No; CB0; CF5; EF; \$500,000 per year†	\$208,000	\$416,080	\$84,000	\$25,000
37	59-7-625 & 59-10-1041 Donations to Special Needs Opportunity Scholarship Program (Effective 2021)	Amount of donation	No; CBO; CF3; EF; \$5,940,000 (for 2021)†	--	--	--	--
<b>Incentive 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>

**Ease of Administration (sales tax refund, gas tax refund, would be deduction)**

38	59-10-1028 Capital gains on exchange of legal tender	4.95% of taxable capital gain	No; CB0; CF0; EF; None	\$70,109	\$58,950	\$90,556	\$297,166
39	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	\$153,222	\$169,059	\$139,449	\$126,117
40	59-10-1105 & 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	\$5,285	\$5,726	\$5,180	\$8,245
41	59-7-623 Guaranty association assessment tax credit <i>(Effective 2019)</i>	Amount of guaranty association assessment taken over five years	No; CB0; CF; EF; None	--	--	\$0	\$0
<b><i>Ease of Administration credit total</i></b>				<b>\$228,616</b>	<b>\$233,735</b>	<b>\$235,185</b>	<b>\$431,528</b>
<b>Taxpayer Credit</b>							
42	59-10-1018 Taxpayer credit based on federal deductions and state personal exemptions	6% X (deductions + exemptions) - phaseout	No; CB0; CF0; EF; None	\$1,146,615,149	\$1,195,780,896	\$1,255,035,579	\$1,420,863,697
<b><i>TOTAL FOR ALL CREDITS</i></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>