

33 (ii) the amount of the tax credit that the nonresident individual would have been
34 allowed to claim but for the apportionment requirements of this section; or

35 (b) for a part-year resident individual, the product of:

36 (i) the state income tax percentage for the part-year resident individual; and

37 (ii) the amount of the tax credit that the part-year resident individual would have been
38 allowed to claim but for the apportionment requirements of this section.

39 (2) A nonresident estate or trust that claims a tax credit in accordance with Section
40 59-10-1017, 59-10-1020, 59-10-1022, 59-10-1024, or 59-10-1028 may only claim an
41 apportioned amount of the tax credit equal to the product of:

42 (a) the state income tax percentage for the nonresident estate or trust; and

43 (b) the amount of the tax credit that the nonresident estate or trust would have been
44 allowed to claim but for the apportionment requirements of this section.

45 Section 2. Section **59-10-1102.1** is amended to read:

46 **59-10-1102.1. Apportionment of tax credit.**

47 A nonresident individual or a part-year resident individual who claims a tax credit in
48 accordance with Section 59-10-1114 or 59-10-1115 may claim only an apportioned amount of
49 the tax credit equal to the product of:

50 (1) the state income tax percentage for the nonresident individual or the state income
51 tax percentage for the part-year resident individual; and

52 (2) the amount of the tax credit that the nonresident individual or the part-year resident
53 individual would have been allowed to claim but for the apportionment requirement of this
54 section.

55 Section 3. Section **59-10-1115** is enacted to read:

56 **59-10-1115. Refundable earned income tax credit.**

57 (1) As used in this section:

58 (a) "Federal earned income tax credit" means the federal earned income tax credit
59 described in Section 32, Internal Revenue Code.

60 (b) "Qualifying claimant" means a claimant who:

61 (i) qualifies for and claims the federal earned income tax credit for the current taxable
62 year; and

63 (ii) earns income in Utah that is reported on a W-2 form.

64 (2) Subject to Section 59-10-1102.1, a qualifying claimant may claim a refundable
65 earned income tax credit equal to the lesser of:

66 (a) 20% of the amount of the federal earned income tax credit that the qualifying
67 claimant was entitled to claim on a federal income tax return for the current taxable year; and

68 (b) the total Utah wages reported on the qualifying claimant's W-2 form for the current
69 taxable year.

70 Section 4. **Repealer.**

71 This bill repeals:

72 Section **59-10-1044, Nonrefundable earned income tax credit.**

73 Section 5. **Effective date.**

74 This bill takes effect on May 1, 2024.

75 Section 6. **Retrospective operation.**

76 This bill has retrospective operation for a taxable year beginning on or after January 1,
77 2024.