

**Income Tax Credit Review Amendments**

2025 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor:**

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**LONG TITLE****General Description:**

This bill modifies the process for income tax credit review.

**Highlighted Provisions:**

This bill:

- ▶ extends the income tax credit review cycle from three years to five years;
- ▶ provides a process for the Office of the Legislative Auditor General to audit the income tax credits; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

## AMENDS:

**59-7-159**, as last amended by Laws of Utah 2022, Chapters 264, 274

**59-7-614.2**, as last amended by Laws of Utah 2022, Chapter 200

**59-7-614.5**, as last amended by Laws of Utah 2021, Chapter 282

**59-7-614.7**, as last amended by Laws of Utah 2023, Chapter 482

**59-7-614.10**, as last amended by Laws of Utah 2021, Chapter 282

**59-7-619**, as last amended by Laws of Utah 2023, Chapter 473

**59-10-137**, as last amended by Laws of Utah 2023, Chapter 460

**59-10-1025**, as last amended by Laws of Utah 2019, Chapter 465

**59-10-1029**, as last amended by Laws of Utah 2023, Chapter 482

**59-10-1034**, as last amended by Laws of Utah 2021, Chapters 64, 280 and last amended by Coordination Clause, Laws of Utah 2021, Chapter 280

**59-10-1037**, as last amended by Laws of Utah 2021, Chapter 282

**59-10-1107**, as last amended by Laws of Utah 2021, Chapter 282

**59-10-1108**, as last amended by Laws of Utah 2021, Chapter 282

32 ENACTS:

33 **36-12-15.4**, Utah Code Annotated 1953

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

36 Section 1. Section **36-12-15.4** is enacted to read:

37 **36-12-15.4 . Income tax credit audits.**

38 (1) As used in this section:

39 (a) "Committee" means the Revenue and Taxation Interim Committee.

40 (b) "Income tax credit" means a state tax credit described in Title 59, Chapter 7,

41 Corporate Franchise and Income Taxes, or Title 59, Chapter 10, Individual Income

42 Tax Act.

43 (c) "Office" means the Office of the Legislative Auditor General.

44 (2) In addition to other audits performed by the office, the office shall conduct, in

45 accordance with this section and under the direction of the Legislative Audit

46 Subcommittee, a comprehensive performance audit of the income tax credits.

47 (3)(a) On or before August 31 of each year, the committee may refer a list of income tax

48 credits to the office that the committee recommends for audit.

49 (b) The list may include an order in which the committee prefers the office to conduct

50 the income tax credit audit.

51 (4) If the committee does not refer a list of income tax credits, the office shall select which

52 income tax credits to audit, considering the income tax credit's usage in terms of dollars

53 and vulnerability to error or fraud.

54 Section 2. Section **59-7-159** is amended to read:

55 **59-7-159 . Review of credits allowed under this chapter.**

56 (1) As used in this section, "committee" means the Revenue and Taxation Interim

57 Committee.

58 (2)(a) ~~The committee shall review the tax credits described in this chapter as provided~~

59 ~~in Subsection (3) and make recommendations concerning whether the tax credits~~

60 ~~should be continued, modified, or repealed.]~~

61 (a) The committee shall review each tax credit described in this chapter once every five

62 years to determine whether to continue, modify, or repeal the tax credit.

63 (b) In conducting the review required under Subsection (2)(a), the committee shall:

64 (i) schedule time on [at least one] a committee agenda to conduct the review as needed;

65 (ii) invite state agencies, individuals, and organizations concerned with [the] a tax

- 66 credit under review to provide oral or written testimony;
- 67 (iii)(A) invite the Governor's Office of Economic Opportunity to present a  
68 summary and analysis of the information for each tax credit regarding which  
69 the Governor's Office of Economic Opportunity is required to make a report  
70 under this chapter; and
- 71 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and  
72 analysis of the information for each tax credit regarding which the Office of the  
73 Legislative Fiscal Analyst is required to make a report under this chapter;
- 74 (iv) ~~[ensure that the committee's recommendations described in this section include~~  
75 ~~an evaluation of]~~ evaluate:
- 76 (A) the cost of the tax credit to the state;
- 77 (B) the purpose and effectiveness of the tax credit; and
- 78 (C) the extent to which the state benefits from the tax credit; and
- 79 (v) undertake other review efforts as determined by the committee chairs or as  
80 otherwise required by law.
- 81 ~~[(3)(a) On or before November 30, 2017, and every three years after 2017, the committee~~  
82 ~~shall conduct the review required under Subsection (2) of the tax credits allowed under~~  
83 ~~the following sections:]~~
- 84 ~~[(i) Section 59-7-601;]~~
- 85 ~~[(ii) Section 59-7-607;]~~
- 86 ~~[(iii) Section 59-7-612;]~~
- 87 ~~[(iv) Section 59-7-614.1; and]~~
- 88 ~~[(v) Section 59-7-614.5.]~~
- 89 ~~[(b) On or before November 30, 2018, and every three years after 2018, the committee~~  
90 ~~shall conduct the review required under Subsection (2) of the tax credits allowed under~~  
91 ~~the following sections:]~~
- 92 ~~[(i) Section 59-7-609;]~~
- 93 ~~[(ii) Section 59-7-614.2;]~~
- 94 ~~[(iii) Section 59-7-614.10; and]~~
- 95 ~~[(iv) Section 59-7-619.]~~
- 96 ~~[(c) On or before November 30, 2019, and every three years after 2019, the committee~~  
97 ~~shall conduct the review required under Subsection (2) of the tax credits allowed under~~  
98 ~~the following sections:]~~
- 99 ~~[(i) Section 59-7-610;]~~

100           ~~[(ii) Section 59-7-614; and]~~

101           ~~[(iii) Section 59-7-614.7.]~~

102           ~~[(d)(i) In addition to the reviews described in this Subsection (3), the committee shall~~  
 103           ~~conduct a review of a tax credit described in this chapter that is enacted on or after~~  
 104           ~~January 1, 2017.]~~

105           ~~[(ii) The committee shall complete a review described in this Subsection (3)(d) three years~~  
 106           ~~after the effective date of the tax credit and every three years after the initial review date.]~~

107           Section 3. Section **59-7-614.2** is amended to read:

108           **59-7-614.2 . Refundable economic development tax credit.**

109           (1) As used in this section:

110           (a) "Business entity" means a taxpayer that meets the definition of "business entity" as  
 111           defined in Section 63N-2-103.

112           (b) "Incremental job" means the same as that term is defined in Section 63N-1a-102.

113           (c) "New state revenue" means the same as that term is defined in Section 63N-1a-102.

114           (d) "Office" means the Governor's Office of Economic Opportunity.

115           (2) Subject to the other provisions of this section, a business entity may claim a refundable  
 116           tax credit for economic development.

117           (3) The tax credit under this section is the amount listed as the tax credit amount on the tax  
 118           credit certificate that the office issues to the business entity for the taxable year.

119           (4)(a) In accordance with any rules prescribed by the commission under Subsection  
 120           (4)(b), the commission shall make a refund to a business entity that claims a tax  
 121           credit under this section if the amount of the tax credit exceeds the business entity's  
 122           tax liability for a taxable year.

123           (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 124           commission may make rules providing procedures for making a refund to a business  
 125           entity as required by Subsection (4)(a).

126           ~~(5)[(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~  
 127           ~~Committee shall study the tax credit allowed by this section and make~~  
 128           ~~recommendations concerning whether the tax credit should be continued, modified,~~  
 129           ~~or repealed.]~~

130           ~~[(b) Except as provided in Subsection (5)(c), for purposes of the study required by this~~  
 131           ~~Subsection (5),]~~

132           (a) To assist the Revenue and Taxation Interim Committee with the review required by  
 133           Section 59-7-159, the office shall provide the following information, if available to

- 134 the office, to the Revenue and Taxation Interim Committee by electronic means:
- 135 (i) the amount of tax credit that the office grants to each business entity for each
- 136 calendar year;
- 137 (ii) the criteria that the office uses in granting a tax credit;
- 138 (iii) the new state revenue generated by the business entity for the calendar year;
- 139 (iv) estimates for each of the next three calendar years of the following:
- 140 (A) the amount of tax credits that the office will grant;
- 141 (B) the amount of new state revenue that will be generated; and
- 142 (C) the number of new incremental jobs within the state that will be generated;
- 143 (v) the information contained in the office's latest report under Section 63N-2-106;
- 144 and
- 145 (vi) any other information that the Revenue and Taxation Interim Committee requests.

146 ~~(b)(i)~~ In providing the information described in Subsection ~~[(5)(b)]~~ (5)(a), the office

147 shall redact information that identifies a recipient of a tax credit under this section.

148 ~~(ii)~~ (c) If, notwithstanding the redactions made under Subsection ~~[(5)(e)(i)]~~ (5)(b),

149 reporting the information described in Subsection ~~[(5)(b)]~~ (5)(a) might disclose the

150 identity of a recipient of a tax credit, the office may file a request with the Revenue

151 and Taxation Interim Committee to provide the information described in Subsection [

152 ~~(5)(b)-]~~ (5)(a) in the aggregate for all business entities that receive the tax credit under

153 this section.

154 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the~~

155 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~

- 156 ~~[(i) the cost of the tax credit to the state;]~~
- 157 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~
- 158 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

159 Section 4. Section **59-7-614.5** is amended to read:

160 **59-7-614.5 . Refundable motion picture tax credit.**

- 161 (1) As used in this section:
- 162 (a) "Motion picture company" means a taxpayer that meets the definition of a motion
- 163 picture company under Section 63N-8-102.
- 164 (b) "Office" means the Governor's Office of Economic Opportunity created in Section
- 165 63N-1a-301.
- 166 (c) "State-approved production" means the same as that term is defined in Section
- 167 63N-8-102.

- 168 (2) ~~[For a taxable year beginning on or after January 1, 2009, a]~~ A motion picture company  
 169 may claim a refundable tax credit for a state-approved production.
- 170 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax  
 171 credit certificate that the office issues to a motion picture company under Section  
 172 63N-8-103 for the taxable year.
- 173 (4)(a) In accordance with any rules prescribed by the commission under Subsection  
 174 (4)(b), the commission shall make a refund to a motion picture company that claims a  
 175 tax credit under this section if the amount of the tax credit exceeds the motion picture  
 176 company's tax liability for a taxable year.
- 177 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 178 commission may make rules providing procedures for making a refund to a motion  
 179 picture company as required by Subsection (4)(a).
- 180 ~~(5)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~  
 181 ~~Committee shall study the tax credit allowed by this section and make~~  
 182 ~~recommendations concerning whether the tax credit should be continued, modified,~~  
 183 ~~or repealed.]~~
- 184 ~~[(b)]~~ (a)(i) ~~[Except as provided in Subsection (5)(b)(ii), for purposes of the study~~  
 185 ~~required by this Subsection (5), the]~~ To assist the Revenue and Taxation Interim  
 186 Committee with the review required by Section 59-7-159, the office shall provide  
 187 the following information, if available to the office, to the Office of the  
 188 Legislative Fiscal Analyst by electronic means:
- 189 (A) the amount of tax credit that the office grants to each motion picture company  
 190 for each calendar year;
- 191 (B) estimates of the amount of tax credit that the office will grant for each of the  
 192 next three calendar years;
- 193 (C) the criteria that the office uses in granting the tax credit;
- 194 (D) the dollars left in the state, as defined in Section 63N-8-102, by each motion  
 195 picture company for each calendar year;
- 196 (E) the information contained in the office's latest report under Section 63N-1a-306;  
 197 and
- 198 (F) any other information that the Office of the Legislative Fiscal Analyst requests.
- 199 ~~[(ii)]~~
- 200 ~~[(A)]~~ (ii) In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i), the  
 201 office shall redact information that identifies a recipient of a tax credit under this

202 section.

203 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~  
 204 ~~(5)(a)(ii)~~, reporting the information described in Subsection ~~[(5)(b)(i)]~~ ~~(5)(a)(i)~~  
 205 might disclose the identity of a recipient of a tax credit, the office may file a  
 206 request with the Revenue and Taxation Interim Committee to provide the  
 207 information described in Subsection ~~[(5)(b)(i)]~~ ~~(5)(a)(i)~~ in the aggregate for all  
 208 motion picture companies that receive the tax credit under this section.

209 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (5), the]~~ The Office of the  
 210 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim  
 211 Committee a summary and analysis of the information provided to the Office of the  
 212 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ ~~(5)(a)~~.

213 ~~[(d)]~~ ~~The Revenue and Taxation Interim Committee shall ensure that the~~  
 214 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~  
 215 ~~[(i) the cost of the tax credit to the state;]~~  
 216 ~~[(ii) the effectiveness of the tax credit; and]~~  
 217 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

218 Section 5. Section **59-7-614.7** is amended to read:

219 **59-7-614.7 . Nonrefundable alternative energy development tax credit.**

220 (1) As used in this section:

221 (a) "Alternative energy entity" means the same as that term is defined in Section  
 222 79-6-502.

223 (b) "Alternative energy project" means the same as that term is defined in Section  
 224 79-6-502.

225 (c) "Office" means the Office of Energy Development created in Section 79-6-401.

226 (2) Subject to the other provisions of this section, an alternative energy entity may claim a  
 227 nonrefundable tax credit for alternative energy development as provided in this section.

228 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax  
 229 credit certificate that the office issues under Title 79, Chapter 6, Part 5, Alternative  
 230 Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.

231 (4) An alternative energy entity may carry forward a tax credit under this section for a  
 232 period that does not exceed the next seven taxable years if:

233 (a) the alternative energy entity is allowed to claim a tax credit under this section for a  
 234 taxable year; and

235 (b) the amount of the tax credit exceeds the alternative energy entity's tax liability under

236 this chapter for that taxable year.

237 ~~(5)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~  
 238 ~~Committee shall study the tax credit allowed by this section and make~~  
 239 ~~recommendations concerning whether the tax credit should be continued, modified,~~  
 240 ~~or repealed.]~~

241 ~~[(b)] (a)(i) [Except as provided in Subsection (5)(b)(ii), for purposes of the study~~  
 242 ~~required by this Subsection (5), the] To assist the Revenue and Taxation Interim~~  
 243 ~~Committee with the review required by Section 59-7-159, the office shall provide~~  
 244 ~~the following information, if available to the office, to the Office of the~~  
 245 ~~Legislative Fiscal Analyst by electronic means:~~

246 (A) the amount of tax credit that the office grants to each alternative energy entity  
 247 for each taxable year;

248 (B) the new state revenues generated by each alternative energy project;

249 (C) the information contained in the office's latest report under Section 79-6-505;  
 250 and

251 (D) any other information that the Office of the Legislative Fiscal Analyst  
 252 requests.

253 ~~[(ii)]~~

254 ~~[(A)] (ii) In providing the information described in Subsection ~~[(5)(b)(i)] (5)(a)(i)~~, the~~  
 255 ~~office shall redact information that identifies a recipient of a tax credit under this~~  
 256 ~~section.~~

257 ~~[(B)] (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~~~  
 258 ~~(5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)] (5)(a)(i)~~~~  
 259 ~~might disclose the identity of a recipient of a tax credit, the office may file a~~  
 260 ~~request with the Revenue and Taxation Interim Committee to provide the~~  
 261 ~~information described in Subsection ~~[(5)(b)(i)] (5)(a)(i)~~ in the aggregate for all~~  
 262 ~~alternative energy entities that receive the tax credit under this section.~~

263 ~~[(e)] (b) [As part of the study required by this Subsection (5), the] The Office of the~~  
 264 ~~Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim~~  
 265 ~~Committee a summary and analysis of the information provided to the Office of the~~  
 266 ~~Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)] (5)(a)~~.~~

267 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the~~  
 268 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~

269 ~~[(i) the cost of the tax credit to the state;]~~



- 270            [(ii) the purpose and effectiveness of the tax credit; and]
- 271            [(iii) the extent to which the state benefits from the tax credit.]
- 272 (6) A taxpayer may not claim or carry forward a tax credit described in Subsection (2) in a
- 273 taxable year during which the taxpayer claims or carries forward a tax credit under
- 274 Section 59-7-614.
- 275            Section 6. Section **59-7-614.10** is amended to read:
- 276            **59-7-614.10 . Nonrefundable enterprise zone tax credit.**
- 277 (1) As used in this section:
- 278            (a) "Business entity" means a corporation that meets the definition of "business entity"
- 279            as that term is defined in Section 63N-2-202.
- 280            (b) "Office" means the Governor's Office of Economic Opportunity created in Section
- 281            63N-1a-301.
- 282 (2) Subject to the provisions of this section, a business entity may claim a nonrefundable
- 283 enterprise zone tax credit as described in Section 63N-2-213.
- 284 (3) The enterprise zone tax credit under this section is the amount listed as the tax credit
- 285 amount on the tax credit certificate that the office issues to the business entity for the
- 286 taxable year.
- 287 (4) A business entity may carry forward a tax credit under this section for a period that does
- 288 not exceed the next three taxable years, if the amount of the tax credit exceeds the
- 289 business entity's tax liability under this chapter for that taxable year.
- 290 (5) A business entity may not claim or carry forward a tax credit under this part for a
- 291 taxable year during which the business entity has claimed the targeted business income
- 292 tax credit under Section 59-7-624.
- 293 ~~(6)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim~~
- 294 ~~Committee shall study the tax credit allowed by this section and make~~
- 295 ~~recommendations concerning whether the tax credit should be continued, modified,~~
- 296 ~~or repealed.]~~
- 297 ~~[(b)] (a)(i) [Except as provided in Subsection (6)(b)(ii), for purposes of the study~~
- 298 ~~required by this Subsection (6),] To assist the Revenue and Taxation Interim~~
- 299 ~~Committee with the review required by Section 59-7-159, the office shall provide~~
- 300 ~~by electronic means the following information for each calendar year to the Office~~
- 301 ~~of the Legislative Fiscal Analyst:~~
- 302            (A) the amount of tax credits provided in each development zone;
- 303            (B) the number of new full-time employee positions reported to obtain tax credits

- 304 in each development zone;
- 305 (C) the amount of tax credits awarded for rehabilitating a building in each
- 306 development zone;
- 307 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
- 308 depreciable property in each development zone;
- 309 (E) the information related to the tax credit contained in the office's latest report
- 310 under Section 63N-1a-301; and
- 311 (F) any other information that the Office of the Legislative Fiscal Analyst requests.

312 (ii)~~(A)~~ In providing the information described in Subsection ~~[(6)(b)(i)]~~ (6)(a)(i),

313 the office shall redact information that identifies a recipient of a tax credit

314 under this section.

315 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(6)(b)(ii)(A)]~~

316 (6)(a)(ii), reporting the information described in Subsection ~~[(6)(b)(i)]~~ (6)(a)(i)

317 might disclose the identity of a recipient of a tax credit, the office may file a

318 request with the Revenue and Taxation Interim Committee to provide the

319 information described in Subsection ~~[(6)(b)(i)]~~ (6)(a)(i) in the aggregate for all

320 development zones that receive the tax credit under this section.

321 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (6), the]~~ The Office of the

322 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim

323 Committee a summary and analysis of the information provided to the Office of the

324 Legislative Fiscal Analyst by the office under Subsection ~~[(6)(b)]~~ (6)(a).

325 ~~[(d)]~~ The Revenue and Taxation Interim Committee shall ensure that the

326 recommendations described in Subsection (6)(a) include an evaluation of:

- 327 [(i) the cost of the tax credit to the state;]
- 328 [(ii) the purpose and effectiveness of the tax credit; and]
- 329 [(iii) the extent to which the state benefits from the tax credit.]

330 Section 7. Section **59-7-619** is amended to read:

331 **59-7-619 . Nonrefundable high cost infrastructure development tax credit.**

332 (1) As used in this section:

- 333 (a) "High cost infrastructure project" means the same as that term is defined in Section
- 334 79-6-602.
- 335 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in
- 336 Section 79-6-602.
- 337 (c) "Infrastructure-related revenue" means the same as that term is defined in Section

338 79-6-602.

339 (d) "Office" means the Office of Energy Development created in Section 79-6-401.

340 (2) Subject to the other provisions of this section, a corporation that is an infrastructure  
341 cost-burdened entity may claim a nonrefundable tax credit for development of a high  
342 cost infrastructure project as provided in this section.

343 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax  
344 credit certificate that the office issues under Title 79, Chapter 6, Part 6, High Cost  
345 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for  
346 the taxable year.

347 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this section  
348 for a period that does not exceed the next seven taxable years if:

349 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this  
350 section for a taxable year; and

351 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax  
352 liability under this chapter for that taxable year.

353 (5)(a) [~~In accordance with Section 59-7-159, the Revenue and Taxation Interim  
354 Committee shall study the tax credit allowed by this section and make  
355 recommendations concerning whether the tax credit should be continued, modified,  
356 or repealed.]~~

357 [(b)(i) ~~Except as provided in Subsection (5)(b)(ii), for purposes of the study  
358 required by this Subsection (5),]~~

359 (i) To assist the Revenue and Taxation Interim Committee with the review required  
360 by Section 59-7-159, the office shall provide the following information, if  
361 available to the office, to the Office of the Legislative Fiscal Analyst:

362 (A) the amount of tax credit that the office grants to each infrastructure  
363 cost-burdened entity for each taxable year;

364 (B) the infrastructure-related revenue generated by each high cost infrastructure  
365 project;

366 (C) the information contained in the office's latest report under Section 79-6-605;  
367 and

368 (D) any other information that the Office of the Legislative Fiscal Analyst  
369 requests.

370 [(ii)]

371 [(A)] (ii) In providing the information described in Subsection [(5)(b)(i)] (5)(a)(i), the

372 office shall redact information that identifies a recipient of a tax credit under this  
373 section.

374 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~  
375 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)  
376 might disclose the identity of a recipient of a tax credit, the office may file a  
377 request with the Revenue and Taxation Interim Committee to provide the  
378 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all  
379 infrastructure cost-burdened entities that receive the tax credit under this section.

380 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (5), the-]~~ The Office of the  
381 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim  
382 Committee a summary and analysis of the information provided to the Office of the  
383 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ (5)(a).

384 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the~~  
385 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~

386 ~~[(i) the cost of the tax credit to the state;]~~

387 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

388 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

389 (6) Notwithstanding Section 59-7-903, the commission may not remove the tax credit  
390 described in this section from the tax return for a taxable year beginning before January  
391 1, 2027.

392 Section 8. Section **59-10-137** is amended to read:

393 **59-10-137 . Review of credits allowed under this chapter.**

394 (1) As used in this section, "committee" means the Revenue and Taxation Interim  
395 Committee.

396 ~~(2)[(a) The committee shall review the tax credits described in this chapter as provided~~  
397 ~~in Subsection (3) and make recommendations concerning whether the tax credits~~  
398 ~~should be continued, modified, or repealed.]~~

399 (a) The committee shall review each tax credit described in this chapter once every five  
400 years to determine whether to continue, modify, or repeal the tax credit.

401 (b) In conducting the review required under Subsection (2)(a), the committee shall:

402 (i) schedule time on ~~[at least one]~~ a committee agenda to conduct the review as needed;

403 (ii) invite state agencies, individuals, and organizations concerned with ~~[the]~~ a tax  
404 credit under review to provide oral or written testimony;

405 (iii)(A) invite the Governor's Office of Economic Opportunity to present a

- 406 summary and analysis of the information for each tax credit regarding which  
407 the Governor's Office of Economic Opportunity is required to make a report  
408 under this chapter; and
- 409 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and  
410 analysis of the information for each tax credit regarding which the Office of the  
411 Legislative Fiscal Analyst is required to make a report under this chapter;
- 412 (iv) ~~[ensure that the committee's recommendations described in this section include~~  
413 ~~an evaluation of]~~ evaluate:
- 414 (A) the cost of the tax credit to the state;
- 415 (B) the purpose and effectiveness of the tax credit; and
- 416 (C) the extent to which the state benefits from the tax credit; and
- 417 (v) undertake other review efforts as determined by the committee chairs or as  
418 otherwise required by law.
- 419 ~~[(3)(a) On or before November 30, 2017, and every three years after 2017, the committee~~  
420 ~~shall conduct the review required under Subsection (2) of the tax credits allowed under~~  
421 ~~the following sections:]~~
- 422 ~~[(i) Section 59-10-1004;]~~
- 423 ~~[(ii) Section 59-10-1010;]~~
- 424 ~~[(iii) Section 59-10-1015;]~~
- 425 ~~[(iv) Section 59-10-1025;]~~
- 426 ~~[(v) Section 59-10-1027;]~~
- 427 ~~[(vi) Section 59-10-1031;]~~
- 428 ~~[(vii) Section 59-10-1032;]~~
- 429 ~~[(viii) Section 59-10-1035;]~~
- 430 ~~[(ix) Section 59-10-1105; and]~~
- 431 ~~[(x) Section 59-10-1108.]~~
- 432 ~~[(b) On or before November 30, 2018, and every three years after 2018, the committee~~  
433 ~~shall conduct the review required under Subsection (2) of the tax credits allowed under~~  
434 ~~the following sections:]~~
- 435 ~~[(i) Section 59-10-1005;]~~
- 436 ~~[(ii) Section 59-10-1006;]~~
- 437 ~~[(iii) Section 59-10-1012;]~~
- 438 ~~[(iv) Section 59-10-1022;]~~
- 439 ~~[(v) Section 59-10-1023;]~~

- 440           ~~[(vi) Section 59-10-1028;]~~  
 441           ~~[(vii) Section 59-10-1034;]~~  
 442           ~~[(viii) Section 59-10-1037; and]~~  
 443           ~~[(ix) Section 59-10-1107.]~~  
 444           ~~[(e) On or before November 30, 2019, and every three years after 2019, the committee~~  
 445           ~~shall conduct the review required under Subsection (2) of the tax credits allowed under~~  
 446           ~~the following sections:]~~  
 447           ~~[(i) Section 59-10-1007;]~~  
 448           ~~[(ii) Section 59-10-1014;]~~  
 449           ~~[(iii) Section 59-10-1017;]~~  
 450           ~~[(iv) Section 59-10-1018;]~~  
 451           ~~[(v) Section 59-10-1019;]~~  
 452           ~~[(vi) Section 59-10-1024;]~~  
 453           ~~[(vii) Section 59-10-1029;]~~  
 454           ~~[(viii) Section 59-10-1036;]~~  
 455           ~~[(ix) Section 59-10-1106; and]~~  
 456           ~~[(x) Section 59-10-1111.]~~  
 457           ~~[(d)(i) In addition to the reviews described in this Subsection (3), the committee shall~~  
 458           ~~conduct a review of a tax credit described in this chapter that is enacted on or after~~  
 459           ~~January 1, 2017.]~~  
 460           ~~[(ii) The committee shall complete a review described in this Subsection (3)(d) three years~~  
 461           ~~after the effective date of the tax credit and every three years after the initial review date.]~~  
 462           Section 9. Section **59-10-1025** is amended to read:  
 463           **59-10-1025 . Nonrefundable tax credit for investment in certain life science**  
 464           **establishments.**  
 465           (1) As used in this section:  
 466           (a) "Commercial domicile" means the principal place from which the trade or business  
 467           of a Utah small business corporation is directed or managed.  
 468           (b) "Eligible claimant, estate, or trust" means the same as that term is defined in Section  
 469           63N-2-802.  
 470           (c) "Life science establishment" means an establishment primarily engaged in the  
 471           development or manufacture of products in one or more of the following categories:  
 472           (i) biotechnologies;  
 473           (ii) medical devices;

- 474 (iii) medical diagnostics; and  
475 (iv) pharmaceuticals.
- 476 (d) "Office" means the Governor's Office of Economic Opportunity.
- 477 (e) "Pass-through entity" means the same as that term is defined in Section 59-10-1402.
- 478 (f) "Pass-through entity taxpayer" means the same as that term is defined in Section  
479 59-10-1402.
- 480 (g) "Qualifying ownership interest" means an ownership interest that is:
- 481 (i)(A) common stock;  
482 (B) preferred stock; or  
483 (C) an ownership interest in a pass-through entity;
- 484 (ii) originally issued to:
- 485 (A) an eligible claimant, estate, or trust; or  
486 (B) a pass-through entity if the eligible claimant, estate, or trust that claims a tax  
487 credit under this section was a pass-through entity taxpayer of the pass-through  
488 entity on the day on which the qualifying ownership interest was issued and  
489 remains a pass-through entity taxpayer of the pass-through entity until the last  
490 day of the taxable year for which the eligible claimant, estate, or trust claims a  
491 tax credit under this section; and
- 492 (iii) issued:
- 493 (A) by a Utah small business corporation;  
494 (B) on or after January 1, 2011; and  
495 (C) for money or other property, except for stock or securities.
- 496 (h)(i) Except as provided in Subsection (1)(h)(ii), "Utah small business corporation"  
497 means the same as that term is defined in Section 59-10-1022.
- 498 (ii) For purposes of this section, a corporation under Section 1244(c)(3)(A), Internal  
499 Revenue Code, is considered to include a pass-through entity.
- 500 (2) Subject to the other provisions of this section, [~~for a taxable year beginning on or after~~  
501 ~~January 1, 2011,~~]an eligible claimant, estate, or trust that holds a tax credit certificate  
502 issued to the eligible claimant, estate, or trust in accordance with Section 63N-2-808 for  
503 that taxable year may claim a nonrefundable tax credit in an amount up to 35% of the  
504 purchase price of a qualifying ownership interest in a Utah small business corporation  
505 by the claimant, estate, or trust if:
- 506 (a) the qualifying ownership interest is issued by a Utah small business corporation that  
507 is a life science establishment;

- 508 (b) the qualifying ownership interest in the Utah small business corporation is purchased  
509 for at least \$25,000;
- 510 (c) the eligible claimant, estate, or trust owned less than 30% of the qualifying  
511 ownership interest of the Utah small business corporation at the time of the purchase  
512 of the qualifying ownership interest; and
- 513 (d) on each day of the taxable year in which the purchase of the qualifying ownership  
514 interest was made, the Utah small business corporation described in Subsection (2)(a)  
515 has at least 50% of its employees in the state.
- 516 (3) Subject to Subsection (4), the tax credit under Subsection (2):
- 517 (a) may only be claimed by an eligible claimant, estate, or trust:
- 518 (i) for a taxable year for which the eligible claimant, estate, or trust holds a tax credit  
519 certificate issued in accordance with Section 63N-2-808; and
- 520 (ii) subject to obtaining a tax credit certificate for each taxable year as required by  
521 Subsection (3)(a)(i), for a period of three taxable years as follows:
- 522 (A) the tax credit in the taxable year in which the purchase of the qualifying  
523 ownership interest was made may not exceed 10% of the purchase price of the  
524 qualifying ownership interest;
- 525 (B) the tax credit in the taxable year after the taxable year described in Subsection  
526 (3)(a)(ii)(A) may not exceed 10% of the purchase price of the qualifying  
527 ownership interest; and
- 528 (C) the tax credit in the taxable year two years after the taxable year described in  
529 Subsection (3)(a)(ii)(A) may not exceed 15% of the purchase price of the  
530 qualifying ownership interest; and
- 531 (b) may not exceed the lesser of:
- 532 (i) the amount listed on the tax credit certificate issued in accordance with Section  
533 63N-2-808; or
- 534 (ii) \$350,000 in a taxable year.
- 535 (4) An eligible claimant, estate, or trust may not claim a tax credit under this section for a  
536 taxable year if the eligible claimant, estate, or trust:
- 537 (a) has sold any of the qualifying ownership interest during the taxable year; or
- 538 (b) does not hold a tax credit certificate for that taxable year that is issued to the eligible  
539 claimant, estate, or trust by the office in accordance with Section 63N-2-808.
- 540 (5) If a Utah small business corporation in which an eligible claimant, estate, or trust  
541 purchases a qualifying ownership interest fails, dissolves, or otherwise goes out of



542 business, the eligible claimant, estate, or trust may not claim both the tax credit provided  
 543 in this section and a capital loss on the qualifying ownership interest.

544 (6) If an eligible claimant is a pass-through entity taxpayer that files a return under Chapter  
 545 7, Corporate Franchise and Income Taxes, the eligible claimant may claim the tax credit  
 546 under this section on the return filed under Chapter 7, Corporate Franchise and Income  
 547 Taxes.

548 (7) A claimant, estate, or trust may not carry forward or carry back a tax credit under this  
 549 section.

550 (8)~~(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~  
 551 ~~Committee shall study the tax credit allowed by this section and make~~  
 552 ~~recommendations concerning whether the tax credit should be continued, modified,~~  
 553 ~~or repealed.]~~

554 [(b)] (a) ~~[Except as provided in Subsection (8)(c), for purposes of the study required by~~  
 555 ~~this Subsection (8)]~~

556 (i) To assist the Revenue and Taxation Interim Committee with the review required  
 557 by Section 59-10-137, the office shall provide the following information, if  
 558 available to the office, to the Office of the Legislative Fiscal Analyst by electronic  
 559 means:

560 [(i)] (A) the amount of tax credit that the office grants to each eligible business  
 561 entity for each taxable year;

562 [(ii)] (B) the amount of eligible new state tax revenues generated by each eligible  
 563 product or project;

564 [(iii)] (C) estimates for each of the next three calendar years of the following:

565 [(A)] (I) the amount of tax credit that the office will grant;

566 [(B)] (II) the amount of eligible new state tax revenues that will be generated;  
 567 and

568 [(C)] (III) the number of new incremental jobs within the state that will be  
 569 generated; and

570 [(iv)] (D) any other information that the Office of the Legislative Fiscal Analyst  
 571 requests.

572 [(e)]

573 [(i)] (ii) In providing the information described in Subsection ~~[(8)(b)]~~ (8)(a)(i), the  
 574 office shall redact information that identifies a recipient of a tax credit under this  
 575 section.

576           ~~[(ii)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(8)(e)(i)]~~ (8)(a)(ii),  
 577           reporting the information described in Subsection ~~[(8)(b)]~~ (8)(a)(i) might disclose  
 578           the identity of a recipient of a tax credit, the office may file a request with the  
 579           Revenue and Taxation Interim Committee to provide the information described in  
 580           Subsection ~~[(8)(b)]~~ (8)(a)(i) in the aggregate for all entities that receive the tax  
 581           credit under this section.

582           ~~[(d)]~~ (b) ~~[As part of the study required by this Subsection (8), the]~~ The Office of the  
 583           Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim  
 584           Committee a summary and analysis of the information provided to the Office of the  
 585           Legislative Fiscal Analyst by the office under Subsection ~~[(8)(b)]~~ (8)(a).

586           ~~[(e)]~~ The Revenue and Taxation Interim Committee shall ensure that the  
 587           recommendations described in Subsection (8)(a) include an evaluation of:

- 588           ~~[(i) the cost of the tax credit under this section;~~
- 589           ~~[(ii) the purpose and effectiveness of the tax credit; and]~~
- 590           ~~[(iii) the extent to which the state benefits from the tax credit.]~~

591           Section 10. Section **59-10-1029** is amended to read:

592           **59-10-1029 . Nonrefundable alternative energy development tax credit.**

593           (1) As used in this section:

- 594           (a) "Alternative energy entity" means the same as that term is defined in Section  
 595           79-6-502.
  - 596           (b) "Alternative energy project" means the same as that term is defined in Section  
 597           79-6-502.
  - 598           (c) "Office" means the Office of Energy Development created in Section 79-6-401.
- 599           (2) Subject to the other provisions of this section, an alternative energy entity may claim a  
 600           nonrefundable tax credit for alternative energy development as provided in this section.
- 601           (3) The tax credit under this section is the amount listed as the tax credit amount on a tax  
 602           credit certificate that the office issues under Title 79, Chapter 6, Part 5, Alternative  
 603           Energy Development Tax Credit Act, to the alternative energy entity for the taxable year.
- 604           (4) An alternative energy entity may carry forward a tax credit under this section for a  
 605           period that does not exceed the next seven taxable years if:
- 606           (a) the alternative energy entity is allowed to claim a tax credit under this section for a  
 607           taxable year; and
  - 608           (b) the amount of the tax credit exceeds the alternative energy entity's tax liability under  
 609           this chapter for that taxable year.

610 (5)(a) ~~In accordance with Section 59-10-137, the Revenue and Taxation Interim~~  
 611 ~~Committee shall study the tax credit allowed by this section and make~~  
 612 ~~recommendations concerning whether the tax credit should be continued, modified,~~  
 613 ~~or repealed.]~~

614 [(b)] (a)(i) ~~[Except as provided in Subsection (5)(b)(ii), for purposes of the study~~  
 615 ~~required by this Subsection (5)]~~ To assist the Revenue and Taxation Interim  
 616 Committee with the review required by Section 59-10-137, the office shall  
 617 provide the following information, if available to the office, to the Office of the  
 618 Legislative Fiscal Analyst by electronic means:

- 619 (A) the amount of tax credit that the office grants to each alternative energy entity
- 620 for each taxable year;
- 621 (B) the new state revenues generated by each alternative energy project;
- 622 (C) the information contained in the office's latest report under Section 79-6-505;
- 623 and
- 624 (D) any other information that the Office of the Legislative Fiscal Analyst
- 625 requests.

626 (ii)(A) In providing the information described in Subsection [(5)(b)(i)] (5)(a)(i),  
 627 the office shall redact information that identifies a recipient of a tax credit  
 628 under this section.

629 (B) If, notwithstanding the redactions made under Subsection [(5)(b)(ii)(A)]  
 630 (5)(a)(ii)(A), reporting the information described in Subsection [(5)(b)(i)]  
 631 (5)(a)(i) might disclose the identity of a recipient of a tax credit, the office may  
 632 file a request with the Revenue and Taxation Interim Committee to provide the  
 633 information described in Subsection [(5)(b)(i)] (5)(a)(i) in the aggregate for all  
 634 alternative energy entities that receive the tax credit under this section.

635 [(e)] (b) ~~[As part of the study required by this Subsection (5), the]~~ The Office of the  
 636 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim  
 637 Committee a summary and analysis of the information provided to the Office of the  
 638 Legislative Fiscal Analyst by the office under Subsection [(5)(b)] (5)(a).

639 [(d)] ~~The Revenue and Taxation Interim Committee shall ensure that the~~  
 640 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~

- 641 [(i) ~~the cost of the tax credit to the state;]~~
- 642 [(ii) ~~the purpose and effectiveness of the tax credit; and]~~
- 643 [(iii) ~~the extent to which the state benefits from the tax credit.]~~

644 (6) A claimant, estate, or trust may not claim or carry forward a tax credit described in  
 645 Subsection (2) in a taxable year during which the taxpayer claims or carries forward a  
 646 tax credit under Section 59-10-1106.

647 Section 11. Section **59-10-1034** is amended to read:

648 **59-10-1034 . Nonrefundable high cost infrastructure development tax credit.**

649 (1) As used in this section:

650 (a) "High cost infrastructure project" means the same as that term is defined in Section  
 651 79-6-602.

652 (b) "Infrastructure cost-burdened entity" means the same as that term is defined in  
 653 Section 79-6-602.

654 (c) "Infrastructure-related revenue" means the same as that term is defined in Section  
 655 79-6-602.

656 (d) "Office" means the Office of Energy Development created in Section 79-6-401.

657 (2) Subject to the other provisions of this section, a claimant, estate, or trust that is an  
 658 infrastructure cost-burdened entity may claim a nonrefundable tax credit for  
 659 development of a high cost infrastructure project as provided in this section.

660 (3) The tax credit under this section is the amount listed as the tax credit amount on a tax  
 661 credit certificate that the office issues under Title 79, Chapter 6, Part 6, High Cost  
 662 Infrastructure Development Tax Credit Act, to the infrastructure cost-burdened entity for  
 663 the taxable year.

664 (4) An infrastructure cost-burdened entity may carry forward a tax credit under this section  
 665 for a period that does not exceed the next seven taxable years if:

666 (a) the infrastructure cost-burdened entity is allowed to claim a tax credit under this  
 667 section for a taxable year; and

668 (b) the amount of the tax credit exceeds the infrastructure cost-burdened entity's tax  
 669 liability under this chapter for that taxable year.

670 (5)~~[(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim  
 671 Committee shall study the tax credit allowed by this section and make  
 672 recommendations concerning whether the tax credit should be continued, modified,  
 673 or repealed.]~~

674 ~~[(b)]~~ (a)(i) [Except as provided in Subsection (5)(b)(ii), for purposes of the study  
 675 required by this Subsection (5)] To assist the Revenue and Taxation Interim  
 676 Committee with the review required by Section 59-10-137, the office shall  
 677 provide the following information, if available to the office, to the Office of the

678 Legislative Fiscal Analyst:

679 (A) the amount of tax credit that the office grants to each infrastructure

680 cost-burdened entity for each taxable year;

681 (B) the infrastructure-related revenue generated by each high cost infrastructure

682 project;

683 (C) the information contained in the office's latest report under Section 79-6-605;

684 and

685 (D) any other information that the Office of the Legislative Fiscal Analyst

686 requests.

687 (ii)~~(A)~~ In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i),

688 the office shall redact information that identifies a recipient of a tax credit

689 under this section.

690 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~

691 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)

692 might disclose the identity of a recipient of a tax credit, the office may file a

693 request with the Revenue and Taxation Interim Committee to provide the

694 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all

695 infrastructure cost-burdened entities that receive the tax credit under this section.

696 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (5), the-]~~ The Office of the

697 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim

698 Committee a summary and analysis of the information provided to the Office of the

699 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ (5)(a).

700 ~~[(d)]~~ ~~The Revenue and Taxation Interim Committee shall ensure that the~~

701 ~~recommendations described in Subsection (5)(a) include an evaluation of:]~~

702 ~~[(i) the cost of the tax credit to the state;]~~

703 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

704 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

705 Section 12. Section **59-10-1037** is amended to read:

706 **59-10-1037 . Nonrefundable enterprise zone tax credit.**

707 (1) As used in this section:

708 (a) "Business entity" means a claimant, estate, or trust that meets the definition of

709 "business entity" as that term is defined in Section 63N-2-202.

710 (b) "Office" means the Governor's Office of Economic Opportunity created in Section

711 63N-1a-301.

- 712 (2) Subject to the provisions of this section, a business entity may claim a nonrefundable  
713 enterprise zone tax credit as described in Section 63N-2-213.
- 714 (3) The enterprise zone tax credit under this section is the amount listed as the tax credit  
715 amount on the tax credit certificate that the office issues to the business entity for the  
716 taxable year.
- 717 (4) A business entity may carry forward a tax credit under this section for a period that does  
718 not exceed the next three taxable years, if the amount of the tax credit exceeds the  
719 business entity's tax liability under this chapter for that taxable year.
- 720 (5) A business entity may not claim or carry forward a tax credit under this part for a  
721 taxable year during which the business entity has claimed the targeted business income  
722 tax credit under Section 59-10-1112.
- 723 ~~(6)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~  
724 ~~Committee shall study the tax credit allowed by this section and make~~  
725 ~~recommendations concerning whether the tax credit should be continued, modified,~~  
726 ~~or repealed.]~~
- 727 ~~[(b) (a)(i) [Except as provided in Subsection (6)(b)(ii), for purposes of the study~~  
728 ~~required by this Subsection (6)] To assist the Revenue and Taxation Interim~~  
729 ~~Committee with the review required by Section 59-10-137, the office shall~~  
730 ~~provide by electronic means the following information, if available to the office,~~  
731 ~~for each calendar year to the Office of the Legislative Fiscal Analyst:~~
- 732 (A) the amount of tax credits provided in each development zone;
- 733 (B) the number of new full-time employee positions reported to obtain tax credits  
734 in each development zone;
- 735 (C) the amount of tax credits awarded for rehabilitating a building in each  
736 development zone;
- 737 (D) the amount of tax credits awarded for investing in a plant, equipment, or other  
738 depreciable property in each development zone;
- 739 (E) the information related to the tax credit contained in the office's latest report  
740 under Section 63N-1a-306; and
- 741 (F) other information that the Office of the Legislative Fiscal Analyst requests.
- 742 ~~(ii)(A)]~~ In providing the information described in Subsection ~~[(6)(b)(i)]~~ (6)(a)(i),  
743 the office shall redact information that identifies a recipient of a tax credit  
744 under this section.
- 745 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(6)(b)(ii)(A)]~~

746 (6)(a)(ii), reporting the information described in Subsection [~~(6)(b)(i)~~] (6)(a)(i)  
 747 might disclose the identity of a recipient of a tax credit, the office may file a  
 748 request with the Revenue and Taxation Interim Committee to provide the  
 749 information described in Subsection [~~(6)(b)(i)~~] (6)(a)(i) in the aggregate for all  
 750 development zones that receive the tax credit under this section.

751 ~~[(e)] (b) [As part of the study required by this Subsection (6), the-]~~ The Office of the  
 752 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim  
 753 Committee a summary and analysis of the information provided to the Office of the  
 754 Legislative Fiscal Analyst by the office under Subsection [~~(6)(b)~~] (6)(a).

755 ~~[(d) The Revenue and Taxation Interim Committee shall ensure that the~~  
 756 ~~recommendations described in Subsection (6)(a) include an evaluation of:]~~

757 ~~[(i) the cost of the tax credit to the state;]~~

758 ~~[(ii) the purpose and effectiveness of the tax credit; and]~~

759 ~~[(iii) the extent to which the state benefits from the tax credit.]~~

760 Section 13. Section **59-10-1107** is amended to read:

761 **59-10-1107 . Refundable economic development tax credit.**

762 (1) As used in this section:

763 (a) "Business entity" means a claimant, estate, or trust that meets the definition of  
 764 "business entity" as defined in Section 63N-2-103.

765 (b) "Incremental job" means the same as that term is defined in Section 63N-1a-102.

766 (c) "New state revenue" means the same as that term is defined in Section 63N-1a-102.

767 (d) "Office" means the Governor's Office of Economic Opportunity.

768 (2) Subject to the other provisions of this section, a business entity may claim a refundable  
 769 tax credit for economic development.

770 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax  
 771 credit certificate that the office issues to the business entity for the taxable year.

772 (4)(a) In accordance with any rules prescribed by the commission under Subsection

773 (4)(b), the commission shall make a refund to a business entity that claims a tax  
 774 credit under this section if the amount of the tax credit exceeds the business entity's  
 775 tax liability for a taxable year.

776 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
 777 commission may make rules providing procedures for making a refund to a business  
 778 entity as required by Subsection (4)(a).

779 (5)~~[(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim~~

780 Committee shall study the tax credit allowed by this section and make  
 781 recommendations concerning whether the tax credit should be continued, modified,  
 782 or repealed.]

783 [(b)] (a) [Except as provided in Subsection (5)(e), for purposes of the study required by  
 784 this Subsection (5),] To assist the Revenue and Taxation Interim Committee with the  
 785 review required by Section 59-10-137, the office shall provide the following  
 786 information, if available to the office, to the Revenue and Taxation Interim  
 787 Committee by electronic means:

788 (i) the amount of tax credit the office grants to each taxpayer for each calendar year;

789 (ii) the criteria the office uses in granting a tax credit;

790 (iii) the new state revenue generated by each taxpayer for each calendar year;

791 (iv) estimates for each of the next three calendar years of the following:

792 (A) the amount of tax credits that the office will grant;

793 (B) the amount of new state revenue that will be generated; and

794 (C) the number of new incremental jobs within the state that will be generated;

795 (v) the information contained in the office's latest report under Section 63N-2-106;

796 and

797 (vi) any other information that the Revenue and Taxation Interim Committee requests.

798 (b)[(†)] In providing the information described in Subsection [(5)(b)] (5)(a), the office  
 799 shall redact information that identifies a recipient of a tax credit under this section.

800 [(††)] (c) If, notwithstanding the redactions made under Subsection [(5)(e)(†)] (5)(b),  
 801 reporting the information described in Subsection [(5)(b)] (5)(a) might disclose the  
 802 identity of a recipient of a tax credit, the office may file a request with the Revenue  
 803 and Taxation Interim Committee to provide the information described in Subsection [  
 804 (5)(b)] (5)(a) in the aggregate for all taxpayers that receive the tax credit under this  
 805 section.

806 [(d)] The Revenue and Taxation Interim Committee shall ensure that the  
 807 recommendations described in Subsection (5)(a) include an evaluation of:]

808 [(†) the cost of the tax credit to the state;]

809 [(††) the purpose and effectiveness of the tax credit; and]

810 [(†††) the extent to which the state benefits from the tax credit.]

811 Section 14. Section **59-10-1108** is amended to read:

812 **59-10-1108 . Refundable motion picture tax credit.**

813 (1) As used in this section:



- 814 (a) "Motion picture company" means a claimant, estate, or trust that meets the definition  
815 of a motion picture company under Section 63N-8-102.
- 816 (b) "Office" means the Governor's Office of Economic Opportunity created in Section  
817 63N-1a-301.
- 818 (c) "State-approved production" means the same as that term is defined in Section  
819 63N-8-102.
- 820 (2) ~~[For a taxable year beginning on or after January 1, 2009, a]~~ A motion picture company  
821 may claim a refundable tax credit for a state-approved production.
- 822 (3) The tax credit under this section is the amount listed as the tax credit amount on the tax  
823 credit certificate that the office issues to a motion picture company under Section  
824 63N-8-103 for the taxable year.
- 825 (4)(a) In accordance with any rules prescribed by the commission under Subsection  
826 (4)(b), the commission shall make a refund to a motion picture company that claims a  
827 tax credit under this section if the amount of the tax credit exceeds the motion picture  
828 company's tax liability for the taxable year.
- 829 (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
830 commission may make rules providing procedures for making a refund to a motion  
831 picture company as required by Subsection (4)(a).
- 832 (5)~~[(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim  
833 Committee shall study the tax credit allowed by this section and make  
834 recommendations concerning whether the tax credit should be continued, modified,  
835 or repealed.]~~
- 836 ~~[(b)]~~ (a)(i) ~~[Except as provided in Subsection (5)(b)(ii), for purposes of the study  
837 required by this Subsection (5)]~~ To assist the Revenue and Taxation Interim  
838 Committee with the review required by Section 59-10-137, the office shall  
839 provide the following information, if available to the office, to the Office of the  
840 Legislative Fiscal Analyst by electronic means:
- 841 (A) the amount of tax credit the office grants to each taxpayer for each calendar  
842 year;
- 843 (B) estimates of the amount of tax credit that the office will grant for each of the  
844 next three calendar years;
- 845 (C) the criteria the office uses in granting a tax credit;
- 846 (D) the dollars left in the state, as defined in Section 63N-8-102, by each motion  
847 picture company for each calendar year;

848 (E) the information contained in the office's latest report under Section 63N-8-105;  
849 and

850 (F) any other information that the Office of the Legislative Fiscal Analyst requests.

851 (ii)~~(A)~~ In providing the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i),  
852 the office shall redact information that identifies a recipient of a tax credit  
853 under this section.

854 ~~[(B)]~~ (iii) If, notwithstanding the redactions made under Subsection ~~[(5)(b)(ii)(A)]~~  
855 (5)(a)(ii), reporting the information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i)  
856 might disclose the identity of a recipient of a tax credit, the office may file a  
857 request with the Revenue and Taxation Interim Committee to provide the  
858 information described in Subsection ~~[(5)(b)(i)]~~ (5)(a)(i) in the aggregate for all  
859 taxpayers that receive the tax credit under this section.

860 ~~[(e)]~~ (b) ~~[As part of the study required by this Subsection (5), the]~~ The Office of the  
861 Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim  
862 Committee a summary and analysis of the information provided to the Office of the  
863 Legislative Fiscal Analyst by the office under Subsection ~~[(5)(b)]~~ (5)(a).

864 ~~[(d)]~~ The Revenue and Taxation Interim Committee shall ensure that the  
865 recommendations described in Subsection (5)(a) include an evaluation of:

866 [(i) the cost of the tax credit to the state;]

867 [(ii) the effectiveness of the tax credit; and]

868 [(iii) the extent to which the state benefits from the tax credit.]

869 Section 15. **Effective Date.**

870 This bill takes effect on May 7, 2025.