

Effective 1/1/2026

59-10-1018 Definitions -- Nonrefundable taxpayer tax credits.

(1) As used in this section:

- (a) "Head of household filing status" means a head of household, as defined in Section 2(b), Internal Revenue Code, who files a single federal individual income tax return for the taxable year.
- (b) "Joint filing status" means:
 - (i) spouses who file a single return jointly under this chapter for a taxable year; or
 - (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a single federal individual income tax return for the taxable year.
- (c) "Qualifying dependent" means an individual with respect to whom the claimant is allowed to claim a tax credit under Section 24, Internal Revenue Code, on the claimant's federal individual income tax return for the taxable year.
- (d) "Single filing status" means:
 - (i) a single individual who files a single federal individual income tax return for the taxable year; or
 - (ii) a married individual who:
 - (A) does not file a single federal individual income tax return jointly with that married individual's spouse for the taxable year; and
 - (B) files a single federal individual income tax return for the taxable year.
- (e) "State or local income tax" means the lesser of:
 - (i) the amount of state or local income tax that the claimant:
 - (A) pays for the taxable year; and
 - (B) reports on the claimant's federal individual income tax return for the taxable year; and
 - (ii) the amount of state or local income tax that is included and allowed as an itemized deduction on the claimant's federal individual income tax return for the taxable year.
- (f)
 - (i) "Utah itemized deduction" means the amount the claimant deducts as allowed as an itemized deduction on the claimant's federal individual income tax return for that taxable year minus any amount of state or local income tax for the taxable year.
 - (ii) "Utah itemized deduction" does not include any amount of qualified business income that the claimant subtracts as allowed by Section 199A, Internal Revenue Code, on the claimant's federal income tax return for that taxable year.
- (g) "Utah personal exemption" means, subject to Subsection (6), \$1,750 multiplied by the number of the claimant's qualifying dependents plus an additional qualifying dependent in the year of a qualifying dependent's birth.

(2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part equal to the sum of:

- (a)
 - (i) for a claimant that deducts the standard deduction on the claimant's federal individual income tax return for the taxable year, 6% of the amount the claimant deducts as allowed as the standard deduction on the claimant's federal individual income tax return for that taxable year; or
 - (ii) for a claimant that itemizes deductions on the claimant's federal individual income tax return for the taxable year, 6% of the amount of the claimant's Utah itemized deduction; and
- (b) 6% of the claimant's Utah personal exemption.

(3) A claimant may not carry forward or carry back a tax credit under this section.

- (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar by which a claimant's state taxable income exceeds:
- (a) for a claimant who has a single filing status, \$15,095;
 - (b) for a claimant who has a head of household filing status, \$22,643; or
 - (c) for a claimant who has a joint filing status, \$30,190.
- (5)
- (a) For a taxable year beginning on or after January 1, 2022, the commission shall increase or decrease annually the following dollar amounts by a percentage equal to the percentage difference between the consumer price index for the preceding calendar year and the consumer price index for calendar year 2020:
 - (i) the dollar amount listed in Subsection (4)(a); and
 - (ii) the dollar amount listed in Subsection (4)(b).
 - (b) After the commission increases or decreases the dollar amounts listed in Subsection (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the nearest whole dollar.
 - (c) After the commission rounds the dollar amounts as required by Subsection (5)(b), the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that the dollar amount listed in Subsection (4)(c) is equal to the product of:
 - (i) the dollar amount listed in Subsection (4)(a); and
 - (ii) two.
 - (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.
- (6)
- (a) For a taxable year beginning on or after January 1, 2022, the commission shall increase annually the Utah personal exemption amount listed in Subsection (1)(g) by a percentage equal to the percentage by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year 2020.
 - (b) After the commission increases the Utah personal exemption amount as described in Subsection (6)(a), the commission shall round the Utah personal exemption amount to the nearest whole dollar.
 - (c) For purposes of Subsection (6)(a), the commission shall calculate the consumer price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

Amended by Chapter 299, 2026 General Session