

Effective 1/1/2026

Part 2 Renter's Credit

59-2a-201 Purpose.

- (1) The purpose of this part is to provide general tax relief for certain persons who rent their places of residence through a system of tax credits, refunds, and appropriations from the General Fund.
- (2) The relief is to offset in part the general tax burden, a significant portion of which, directly or indirectly, is represented by property tax.
- (3)
 - (a) Accordingly, the tax relief provided by this part is determined in part by reference to the property tax assessment and collection mechanisms, but is not limited to property tax relief nor is the tax relief formulated upon the Legislature's power to relieve property taxes.
 - (b) The tax relief is for the general relief of all taxes.

Enacted by Chapter 172, 2025 General Session

59-2a-202 Renter's credit authorized -- No interest allowed.

- (1) A claimant who rents a residence and meets the requirements of this part may receive a renter's credit.
- (2) A claimant who meets the requirements of this part and Part 3, Homeowner's Credit, may claim in any year a renter's credit under Section 59-2a-205, a homeowner's credit as provided under Part 3, Homeowner's Credit, or both.
- (3) Interest is not allowed on any payment made to a claimant under this part.

Renumbered and Amended by Chapter 172, 2025 General Session

59-2a-203 Time for filing claim for renter's credit -- One claimant per household per year.

- (1) The commission may not allow or pay a renter's credit unless the claim is actually filed with, and in the possession of, the commission on or before December 31 of each calendar year.
- (2) Only one claimant per household per calendar year is entitled to payment under this part.

Renumbered and Amended by Chapter 172, 2025 General Session

59-2a-204 Statement required of renter claimant.

Every claimant shall supply to the commission, in support of the claim, a statement showing reasonable proof of rent paid, the name and address of the owner or managing agent of the property rented, and any changes of residence.

Renumbered and Amended by Chapter 172, 2025 General Session

59-2a-205 Amount of renter's credit -- Cost-of-living adjustment -- Prohibition on credit for rental assistance payment -- Calculation of credit when rent includes utilities -- Limitation -- General Fund as source of credit -- Maximum credit.

- (1)

- (a) Subject to Subsections (2) and (3), for a calendar year beginning on or after January 1, 2024, a claimant may claim a renter's credit for the previous calendar year that does not exceed the following amounts:

If household income is	Percentage of gross rent allowed as a credit
\$0 -- \$13,884	9.5%
\$13,885 -- \$18,515	8.5%
\$18,516 -- \$23,141	7.0%
\$23,142 -- \$27,770	5.5%
\$27,771 -- \$32,401	4.0%
\$32,402 -- \$36,754	3.0%
\$36,755 -- \$40,840	2.5%

- (b) For a calendar year beginning on or after January 1, 2025, the commission shall increase or decrease the household income eligibility amounts under Subsection (1)(a) 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 2023.

(2)

- (a) A claimant may claim a renter's credit under this part only for gross rent that does not constitute a rental assistance payment.
- (b) For purposes of determining whether a claimant receives a rental assistance payment and in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules defining the terms:
- (i) "governmental entity";
 - (ii) "charitable organization"; or
 - (iii) "religious organization."

- (3) For purposes of calculating gross rent when a claimant's rent includes electricity or natural gas and the utility amount is not itemized in the statement provided in accordance with Section 59-2a-204, the commission shall deduct from rent:

- (a) 7% of rent if the rent includes electricity or natural gas but not both; or
- (b) 13% of rent if the rent includes both electricity and natural gas.

- (4) An individual may not receive the renter's credit under this section if the individual is:

- (a) claimed as a personal exemption on another individual's federal income tax return during any portion of a calendar year for which the individual seeks to claim the renter's credit under this section; or
- (b) a dependent with respect to whom another individual claims a tax credit under Section 24(h)(4), Internal Revenue Code, during any portion of a calendar year for which the individual seeks to claim the renter's credit under this section.

- (5) A payment for a renter's credit allowed by this section, and authorized by Section 59-2a-202, shall be paid from the General Fund.

- (6) A credit under this section may not exceed the maximum amount allowed as a homeowner's credit for each income bracket under Section 59-2a-305.

Renumbered and Amended by Chapter 172, 2025 General Session

59-2a-206 Determination of rent when not arm's-length transaction.

If a homestead is rented by a person from another person under circumstances deemed by the commission to be not at arm's length, the commission may determine rent as at arm's length, and the determination is final unless appealed within 30 days after the day on which the commission determines the rent at arm's length.

Renumbered and Amended by Chapter 172, 2025 General Session