

**INDIVIDUAL INCOME TAX CREDIT FOR
AT-HOME PARENTS**

1999 GENERAL SESSION

STATE OF UTAH

Sponsor: Robert M. Muhlestein

AN ACT RELATING TO THE INDIVIDUAL INCOME TAX ACT; PROVIDING FOR THE TAXABLE YEAR BEGINNING ON OR AFTER JANUARY 1, 2000, BUT BEGINNING BEFORE DECEMBER 31, 2000, AN INDIVIDUAL INCOME TAX CREDIT FOR EACH QUALIFYING CHILD OF AN AT-HOME PARENT; AND REQUIRING THE LEGISLATURE TO MAKE AN APPROPRIATION FROM THE GENERAL FUND TO REPLACE UNIFORM SCHOOL FUND REVENUES EXPENDED IN PROVIDING FOR THE CREDIT.

This act affects sections of Utah Code Annotated 1953 as follows:

ENACTS:

59-10-108.1, Utah Code Annotated 1953

This act enacts uncodified material.

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

Section 1. Section **59-10-108.1** is enacted to read:

59-10-108.1. Tax credit for at-home parent.

(1) As used in this section:

(a) "At-home parent" means a parent:

(i) who provides full-time care at the parent's residence for one or more of the parent's own qualifying children;

(ii) who claims the qualifying child as a dependent on the parent's individual income tax return for the taxable year for which the parent claims the credit; and

(iii) § [whose] IF THE SUM OF THE FOLLOWING AMOUNTS ARE \$3,000 OR LESS FOR THE TAXABLE YEAR FOR WHICH THE PARENT CLAIMS THE CREDIT: (A) THE § total wages, tips, and other compensation listed on all of the parent's federal Forms W-2 § ; AND (B) THE GROSS INCOME LISTED ON THE PARENT'S FEDERAL FORM 1040 SCHEDULE C, PROFIT OR LOSS FROM BUSINESS § § [are \$3,000 or less for the taxable year for which the parent claims the credit] § .

(b) "Parent" means an individual who:

- 28 (i) is the biological mother or father of a qualifying child;
 29 (ii) is the stepfather or stepmother of a qualifying child;
 30 (iii) (A) legally adopts a qualifying child; or
 31 (B) has a qualifying child placed in the individual's home:
 32 (I) by a child placing agency as defined in Section 62A-4a-601; and
 33 (II) for the purpose of legally adopting the child;
 34 (iv) is a foster parent of a qualifying child; or
 35 (v) is a legal guardian of a qualifying child.
 36 (c) "Qualifying child" means a child who is § [two years] NO MORE THAN 12 MONTHS § of
 36a age § [or younger] § on the last day of
 37 the taxable year for which the credit is claimed.
 38 (2) For § [the] § taxable § [year] YEARS § beginning on or after January 1, 2000, § [but
 38a beginning before]
 39 [December 31, 2000;] § a taxpayer may claim on the taxpayer's individual income tax return a
 40 nonrefundable credit of § [\$200] \$100 § for each qualifying child if:
 41 (a) the taxpayer or another taxpayer filing a joint individual income tax return with the
 42 taxpayer is an at-home parent; and
 43 (b) the federal adjusted gross income of all of the taxpayers filing the individual income
 44 tax return is less than or equal to \$50,000.
 45 (3) A taxpayer may not carry forward or carry back a credit authorized by this section.
 46 (4) § [The] IT IS THE INTENT OF THE LEGISLATURE THAT FOR FISCAL YEARS BEGINNING
 47 ON OR AFTER FISCAL YEAR 2000-01, THE § Legislature § [shall make an appropriation]
APPROPRIATE § from the General Fund § A SUFFICIENT AMOUNT § to replace Uniform
School Fund revenues expended to provide for the credit under this section.

Legislative Review Note
as of 2-15-99 10:51 AM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel