

**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 TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 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

*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) 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.

(b) "Parent" means an individual who:

(i) is the biological mother or father of a qualifying child;

(ii) is the stepfather or stepmother of a qualifying child;

(iii) (A) legally adopts a qualifying child; or

(B) has a qualifying child placed in the individual's home:

(I) by a child placing agency as defined in Section 62A-4a-601; and

(II) for the purpose of legally adopting the child;

(iv) is a foster parent of a qualifying child; or

(v) is a legal guardian of a qualifying child.

(c) "Qualifying child" means a child who is no more than 12 months of age on the last day of the taxable year for which the credit is claimed.

(2) For taxable years beginning on or after January 1, 2000, a taxpayer may claim on the taxpayer's individual income tax return a nonrefundable credit of \$100 for each qualifying child if:

(a) the taxpayer or another taxpayer filing a joint individual income tax return with the taxpayer is an at-home parent; and

(b) the federal adjusted gross income of all of the taxpayers filing the individual income tax return is less than or equal to \$50,000.

(3) A taxpayer may not carry forward or carry back a credit authorized by this section.

(4) It is the intent of the Legislature that for fiscal years beginning on or after fiscal year 2000-01, the Legislature appropriate from the General Fund a sufficient amount to replace Uniform School Fund revenues expended to provide for the credit under this section.