

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

3 1999 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: Robert M. Muhlestein**

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

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

13 ENACTS:

14 **59-10-108.1**, Utah Code Annotated 1953

15 This act enacts uncodified material.

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

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

18 **59-10-108.1. Tax credit for at-home parent.**

19 (1) As used in this section:

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

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

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

25 (iii) whose total wages, tips, and other compensation listed on all of the parent's federal
26 Forms W-2 are \$3,000 or less for the taxable year for which the parent claims the credit.

27 (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 of age or younger on the last day of
- 37 the taxable year for which the credit is claimed.
- 38 (2) For the taxable year beginning on or after January 1, 2000, but beginning before
- 39 December 31, 2000, a taxpayer may claim on the taxpayer's individual income tax return a
- 40 nonrefundable credit of \$200 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 Legislature shall make an appropriation from the General Fund to replace Uniform
- 47 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