

1 **PROVIDING INFORMATION RELATING TO**
2 **TAX CREDITS AND TAX FILING DUE**
3 **DATES**

4 2003 GENERAL SESSION

5 STATE OF UTAH

6 **Sponsor: David H. Steele**

7 **This act modifies Targeted Business Income Tax Credits Within an Enterprise Zone,**
8 **Corporate Franchise and Income Taxes, and the Individual Income Tax Act to modify**
9 **the requirements for providing information to the State Tax Commission when a**
10 **taxpayer claims a tax credit. The act modifies the information that certain entities are**
11 **required to provide to taxpayers claiming certain tax credits and the requirements for**
12 **providing this information. The act modifies the due dates for filing certain returns with**
13 **the State Tax Commission, and makes technical changes. The act has retrospective**
14 **operation for taxable years beginning on or after January 1, 2003.**

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

16 AMENDS:

17 **9-2-1803**, as enacted by Chapter 155, Laws of Utah 2001

18 **59-7-605**, as last amended by Chapter 231, Laws of Utah 2002

19 **59-7-606**, as last amended by Chapters 134 and 366, Laws of Utah 1997

20 **59-7-607**, as last amended by Chapter 159, Laws of Utah 2002

21 **59-7-608**, as last amended by Chapter 375, Laws of Utah 1997

22 **59-7-610**, as last amended by Chapter 155, Laws of Utah 2001

23 **59-10-108.7**, as last amended by Chapter 155, Laws of Utah 2001

24 **59-10-109**, as last amended by Chapter 375, Laws of Utah 1997

25 **59-10-127**, as last amended by Chapter 231, Laws of Utah 2002

26 **59-10-128**, as last amended by Chapters 134 and 366, Laws of Utah 1997

27 **59-10-129**, as last amended by Chapter 159, Laws of Utah 2002



28 **59-10-507**, as renumbered and amended by Chapter 2, Laws of Utah 1987

29 **59-10-514**, as renumbered and amended by Chapter 2, Laws of Utah 1987

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

31 Section 1. Section **9-2-1803** is amended to read:

32 **9-2-1803. Targeted business income tax credit structure -- Duties of the local zone**
33 **administrator -- Duties of the State Tax Commission.**

34 (1) For taxable years beginning on or after January 1, 2002, a business applicant that is
35 certified under Subsection 9-2-1802(3) and issued a targeted business tax credit eligibility form
36 by the department under Subsection (8) may claim a refundable income tax credit:

37 (a) against the business applicant's tax liability under:

38 (i) Title 59, Chapter 10, Individual Income Tax Act; or

39 (ii) Title 59, Chapter 7, Corporate Franchise and Income Taxes; and

40 (b) subject to requirements and limitations provided by this part.

41 (2) The total amount of the targeted business income tax credits allowed under this part
42 for all business applicants may not exceed \$300,000 in any fiscal year.

43 (3) (a) A targeted business income tax credit allowed under this part for each
44 community investment project provided by a business applicant may not:

45 (i) be claimed by a business applicant for more than seven consecutive taxable years
46 from the date the business applicant first qualifies for a targeted business income tax credit on
47 the basis of a community investment project;

48 (ii) be carried forward or carried back;

49 (iii) exceed \$100,000 in total amount for the community investment project period
50 during which the business applicant is eligible to claim a targeted business income tax credit;

51 or

52 (iv) exceed in any year that the targeted business income tax credit is claimed the lesser
53 of:

54 (A) 50% of the maximum amount allowed by the local zone administrator; or

55 (B) the allocated cap amount determined by the department under Subsection
56 9-2-1802(5).

57 (b) A business applicant may apply to the local zone administrator to claim a targeted
58 business income tax credit allowed under this part for each community investment project

59 provided by the business applicant as the basis for its eligibility for a targeted business income
60 tax credit.

61 (4) Subject to other provisions of this section, the local zone administrator shall
62 establish for each business applicant that qualifies for a targeted business income tax credit:

63 (a) criteria for maintaining eligibility for the targeted business income tax credit that
64 are reasonably related to the community investment project that is the basis for the business
65 applicant's targeted business income tax credit;

66 (b) the maximum amount of the targeted business income tax credit the business
67 applicant is allowed for the community investment project period;

68 (c) the time period over which the total amount of the targeted business income tax
69 credit may be claimed;

70 (d) the maximum amount of the targeted business income tax credit that the business
71 applicant will be allowed to claim each year; and

72 (e) requirements for a business applicant to report to the local zone administrator
73 specifying:

74 (i) the frequency of the business applicant's reports to the local zone administrator,
75 which shall be made at least quarterly; and

76 (ii) the information needed by the local zone administrator to monitor the business
77 applicant's compliance with this Subsection (4) or Section 9-2-1802 that shall be included in
78 the report.

79 (5) In accordance with Subsection (4)(e), a business applicant allowed a targeted
80 business income tax credit under this part shall report to the local zone administrator.

81 (6) The amount of a targeted business income tax credit that a business applicant is
82 allowed to claim for a taxable year shall be reduced by 25% for each quarter in which the
83 department or the local zone administrator determines that the business applicant has failed to
84 comply with a requirement of Subsection (3) or Section 9-2-1802.

85 (7) The department or local zone administrator may audit a business applicant to
86 ensure:

87 (a) eligibility for a targeted business income tax credit; or

88 (b) compliance with Subsection (3) or Section 9-2-1802.

89 (8) The department shall issue a targeted business income tax credit eligibility form in

90 a form jointly developed by the State Tax Commission and the department no later than 30
91 days after the last day of the business applicant's taxable year showing:

92 (a) the maximum amount of the targeted business income tax credit that the business
93 applicant is eligible for that taxable year;

94 (b) any reductions in the maximum amount of the targeted business income tax credit
95 because of failure to comply with a requirement of Subsection (3) or Section 9-2-1802;

96 (c) the allocated cap amount that the business applicant may claim for that taxable
97 year; and

98 (d) the actual amount of the targeted business income tax credit that the business
99 applicant may claim for that taxable year.

100 (9) (a) A business applicant shall [~~attach a copy of~~] retain the targeted business income
101 tax credit eligibility form provided by the department under this Subsection (9) [~~to any return~~
102 ~~upon which a business applicant claims a targeted business income tax credit under this~~
103 ~~section~~].

104 (b) The State Tax Commission may audit a business applicant to ensure:

105 (i) eligibility for a targeted business income tax credit; or

106 (ii) compliance with Subsection (3) or Section 9-2-1802.

107 Section 2. Section **59-7-605** is amended to read:

108 **59-7-605. Definitions -- Tax credit -- Cleaner burning fuels.**

109 (1) As used in this section:

110 (a) "Board" means the Air Quality Board created under Title 19, Chapter 2, Air
111 Conservation Act.

112 (b) "Certified by the board" means that:

113 (i) a motor vehicle on which conversion equipment has been installed meets the
114 following criteria:

115 (A) before the installation of conversion equipment, the vehicle does not exceed the
116 emission cut points for a transient test driving cycle, as specified in 40 CFR 51, Appendix E to
117 Subpart S, or an equivalent test for the make, model, and year of the vehicle;

118 (B) the motor vehicle's emissions of regulated pollutants, when operating on fuels
119 listed in Subsection (2)(b), is less than the emissions were before the installation of conversion
120 equipment; and

121 (C) a reduction in emissions under Subsection (1)(b)(i)(B) is demonstrated by:
122 (I) certification of the conversion equipment by the federal Environmental Protection
123 Agency or by a state whose certification standards are recognized by the board;
124 (II) testing the motor vehicle, before and after installation of the conversion equipment,
125 in accordance with 40 CFR 86, Control of Air Pollution from New and In-use Motor Vehicle
126 Engines: Certification and Test Procedures, using all fuel the motor vehicle is capable of using;
127 or
128 (III) any other test or standard recognized by board rule; or
129 (ii) special mobile equipment on which conversion equipment has been installed meets
130 the following criteria:
131 (A) the special mobile equipment's emissions of regulated pollutants, when operating
132 on fuels listed in Subsection (2)(c), is less than the emissions were before the installation of
133 conversion equipment; and
134 (B) a reduction in emissions under Subsection (1)(b)(ii)(A) is demonstrated by:
135 (I) certification of the conversion equipment by the federal Environmental Protection
136 Agency or by a state whose certification standards are recognized by the board; or
137 (II) any other test or standard recognized by board rule.
138 (c) "Clean fuel grant" means a grant awarded under Title 9, Chapter 1, Part 7, Clean
139 Fuels Conversion Program Act, for reimbursement of a portion of the incremental cost of an
140 OEM vehicle or the cost of conversion equipment.
141 (d) "Conversion equipment" means equipment referred to in Subsection (2)(b) or
142 (2)(c).
143 (e) "Incremental cost" has the same meaning as in Section 63-34-202.
144 (f) "OEM vehicle" has the same meaning as in Section 63-34-202.
145 (g) "Special mobile equipment":
146 (i) means any mobile equipment or vehicle that is not designed or used primarily for
147 the transportation of persons or property; and
148 (ii) includes construction or maintenance equipment.
149 (2) For taxable years beginning on or after January 1, 2001, but beginning on or before
150 December 31, 2005, a taxpayer may claim a tax credit against tax otherwise due under this
151 chapter or Chapter 8, Gross Receipts Tax on Certain Corporations Not Required to Pay

152 Corporate Franchise or Income Tax Act, in an amount equal to:

153 (a) 50% of the incremental cost of an OEM vehicle registered in Utah minus the
154 amount of any clean fuel grant received, up to a maximum tax credit of \$3,000 per vehicle, if
155 the vehicle:

156 (i) is fueled by propane, natural gas, or electricity;

157 (ii) is fueled by other fuel the board determines annually on or before July 1 to be at
158 least as effective in reducing air pollution as fuels under Subsection (2)(a)(i); or

159 (iii) meets the clean-fuel vehicle standards in the federal Clean Air Act Amendments of
160 1990, 42 U.S.C. Sec. 7521 et seq.;

161 (b) 50% of the cost of equipment for conversion, if certified by the board, of a motor
162 vehicle registered in Utah minus the amount of any clean fuel grant received, up to a maximum
163 tax credit of \$2,500 per motor vehicle, if the motor vehicle is to:

164 (i) be fueled by propane, natural gas, or electricity;

165 (ii) be fueled by other fuel the board determines annually on or before July 1 to be at
166 least as effective in reducing air pollution as fuels under Subsection (2)(b)(i); or

167 (iii) meet the federal clean-fuel vehicle standards in the federal Clean Air Act
168 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

169 (c) 50% of the cost of equipment for conversion, if certified by the board, of a special
170 mobile equipment engine minus the amount of any clean fuel grant received, up to a maximum
171 tax credit of \$1,000 per special mobile equipment engine, if the special mobile equipment is to
172 be fueled by:

173 (i) propane, natural gas, or electricity; or

174 (ii) other fuel the board determines annually on or before July 1 to be:

175 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(c)(i);

176 or

177 (B) substantially more effective in reducing air pollution than the fuel for which the
178 engine was originally designed.

179 (3) A taxpayer shall provide proof of the purchase of an item for which a tax credit is
180 allowed under this section by:

181 (a) providing proof to the board in the form the board requires by rule;

182 (b) receiving a written statement from the board acknowledging receipt of the proof;

183 and

184 (c) [~~attaching~~] retaining the written statement [~~obtained from the board to the tax return~~
185 ~~in which the credit is claimed~~] described in Subsection (3)(b).

186 (4) Except as provided by Subsection (5), [~~this~~] the tax credit under this section is
187 allowed only:

188 (a) against any Utah tax owed in the taxable year by the taxpayer;

189 (b) in the taxable year in which the item is purchased for which the tax credit is
190 claimed; and

191 (c) once per vehicle.

192 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the
193 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit
194 exceeding the tax liability may be carried forward for a period that does not exceed the next
195 five taxable years.

196 Section 3. Section **59-7-606** is amended to read:

197 **59-7-606. Tax credit -- Items using cleaner burning fuels.**

198 (1) As used in this section, "board" means the Air Quality Board created under Title
199 19, Chapter 2, [~~Environmental Quality Code~~] Air Conservation Act.

200 (2) For [~~tax~~] taxable years beginning on or after January 1, 1992, but prior to January 1,
201 2003, there is allowed a tax credit against tax otherwise due under this chapter in an amount
202 equal to 10%, up to a maximum of \$50, of the total of both the purchase cost and installation
203 services cost of each pellet burning stove, high mass wood stove, and solid fuel burning device
204 purchased and installed that is certified by the federal Environmental Protection Agency in
205 accordance with test procedures prescribed in 40 C.F.R. Sec. 60.534, including purchase cost
206 and installation service cost of natural gas or propane free standing fireplaces or inserts, but not
207 including fireplace logs.

208 (3) A taxpayer shall provide proof of the purchase of an item for which a tax credit is
209 allowed under this section by:

210 (a) providing proof to the board in the form [~~it~~] the board requires by rule;

211 (b) receiving a written statement from the board acknowledging receipt of the proof;

212 and

213 (c) [~~attaching~~] retaining the written statement [~~obtained from the board to the tax return~~

214 ~~in which the credit is claimed]~~ described in Subsection (3)(b).

215 (4) ~~[This]~~ The tax credit under this section is allowed only:

216 (a) against any Utah tax owed in the taxable year by the taxpayer; and

217 (b) ~~[in]~~ for the taxable year in which the item is purchased for which the tax credit is
218 claimed.

219 Section 4. Section **59-7-607** is amended to read:

220 **59-7-607. Utah low-income housing tax credit.**

221 (1) As used in this section:

222 (a) "Allocation certificate" means:

223 (i) the certificate prescribed by the ~~[tax]~~ commission and issued by the Utah Housing
224 Corporation to each taxpayer that specifies the percentage of the annual federal low-income
225 housing tax credit that each taxpayer may take as an annual credit against state income tax; or

226 (ii) a copy of the allocation certificate that the housing sponsor provides to the
227 taxpayer.

228 (b) "Building" means a qualified low-income building as defined in Section 42(c),
229 Internal Revenue Code.

230 (c) "Federal low-income housing tax credit" means the tax credit under Section 42,
231 Internal Revenue Code.

232 (d) "Housing sponsor" means a corporation in the case of a C corporation, a partnership
233 in the case of a partnership, a corporation in the case of an S corporation, or a limited liability
234 company in the case of a limited liability company.

235 (e) "Qualified allocation plan" means the qualified allocation plan adopted by the Utah
236 Housing Corporation pursuant to Section 42(m), Internal Revenue Code.

237 (f) "Special low-income housing tax credit certificate" means a certificate:

238 (i) prescribed by the ~~[tax]~~ commission;

239 (ii) that a housing sponsor issues to a taxpayer for a taxable year; and

240 (iii) that specifies the amount of tax credit a taxpayer may claim under this section if
241 the taxpayer meets the requirements of this section.

242 (g) "Taxpayer" means ~~[the]~~ a person [entitled to the] that is allowed a tax credit
243 ~~[provided under]~~ in accordance with this section which is the corporation in the case of a C
244 corporation, the partners in the case of a partnership, the shareholders in the case of an S

245 corporation, and the members in the case of a limited liability company.

246 (2) (a) For taxable years beginning on or after January 1, 1995, there is allowed a
247 nonrefundable tax credit against taxes otherwise due under this chapter or Chapter 8, Gross
248 Receipts Tax on Certain Corporations Not Required to Pay Corporate Franchise or Income Tax
249 Act, for taxpayers issued an allocation certificate.

250 (b) The tax credit shall be in an amount equal to the greater of the amount of:

251 (i) federal low-income housing tax credit to which the taxpayer is [~~entitled~~] allowed
252 during that year multiplied by the percentage specified in an allocation certificate issued by the
253 Utah Housing Corporation; or

254 (ii) tax credit specified in the special low-income housing tax credit certificate that the
255 housing sponsor issues to the taxpayer as provided in Subsection (2)(c).

256 (c) For purposes of Subsection (2)(b)(ii), the tax credit is equal to the product of:

257 (i) the total amount of low-income housing tax credit under this section that:

258 (A) a housing sponsor is allowed for a building; and

259 (B) all of the taxpayers may claim with respect to the building if the taxpayers meet the
260 requirements of this section; and

261 (ii) the percentage of tax credit a taxpayer may claim:

262 (A) under this section if the taxpayer meets the requirements of this section; and

263 (B) as provided in the agreement between the taxpayer and the housing sponsor.

264 (d) (i) For the calendar year beginning on January 1, 1995, through the calendar year
265 beginning on January 1, 2005, the aggregate annual tax credit [~~which~~] that the Utah Housing
266 Corporation may allocate for the credit period described in Section 42(f), Internal Revenue
267 Code, pursuant to this section and Section 59-10-129 is an amount equal to the product of:

268 (A) 12.5 cents; and

269 (B) the population of Utah.

270 (ii) For purposes of this section, the population of Utah shall be determined in
271 accordance with Section 146(j), Internal Revenue Code.

272 (3) (a) By October 1, 1994, the Utah Housing Corporation shall determine criteria and
273 procedures for allocating the tax credit under this section and Section 59-10-129 and
274 incorporate the criteria and procedures into the Utah Housing Corporation's qualified
275 allocation plan.

276 (b) The Utah Housing Corporation shall create the criteria under Subsection (3)(a)
277 based on:

278 (i) the number of affordable housing units to be created in Utah for low and moderate
279 income persons in the residential housing development of which the building is a part;

280 (ii) the level of area median income being served by the development;

281 (iii) the need for the tax credit for the economic feasibility of the development; and

282 (iv) the extended period for which the development commits to remain as affordable
283 housing.

284 (4) (a) ~~[Any]~~ The following may apply to the Utah Housing Corporation for a tax credit
285 under this section:

286 (i) any housing sponsor that has received an allocation of the federal low-income
287 housing tax credit ~~[and]; or~~

288 (ii) any applicant for an allocation of the federal low-income housing tax credit ~~[may~~
289 ~~apply to the Utah Housing Corporation for a credit under this section].~~

290 (b) The Utah Housing Corporation may not require fees for applications of the tax
291 credit under this section in addition to those fees required for applications for the federal
292 low-income housing tax credit.

293 (5) (a) The Utah Housing Corporation shall determine the amount of the tax credit to
294 allocate to a qualifying housing sponsor in accordance with the qualified allocation plan of the
295 Utah Housing Corporation.

296 (b) (i) The Utah Housing Corporation shall allocate the tax credit to housing sponsors
297 by issuing an allocation certificate to qualifying housing sponsors.

298 (ii) The allocation certificate under Subsection (5)(b)(i) shall specify the allowed
299 percentage of the federal low-income housing tax credit as determined by the Utah Housing
300 Corporation.

301 (c) The percentage specified in an allocation certificate may not exceed 100% of the
302 federal low-income housing tax credit.

303 (6) ~~[If a partnership, an S corporation, or a limited liability company qualifies for the~~
304 ~~credit provided in this section as a] A housing sponsor~~[-it]~~ shall provide a copy of the~~
305 allocation certificate to ~~[the taxpayers of the entity. (7) A taxpayer shall attach a copy of the~~
306 allocation certificate to any return upon which a credit is claimed under this section.] each

307 taxpayer that is issued a special low-income housing tax credit certificate.

308 (7) (a) A housing sponsor shall provide to the commission a list of:

309 (i) the taxpayers issued a special low-income housing tax credit certificate; and

310 (ii) for each taxpayer described in Subsection (7)(a)(i), the amount of tax credit listed

311 on the special low-income housing tax credit certificate.

312 (b) A housing sponsor shall provide the list required by Subsection (7)(a):

313 (i) to the commission;

314 (ii) on a form provided by the commission; and

315 (iii) with the housing sponsor's tax return for each taxable year for which the housing

316 sponsor issues a special low-income housing tax credit certificate described in this Subsection

317 (7).

318 (8) (a) All elections made by the taxpayer pursuant to Section 42, Internal Revenue

319 Code, shall apply to this section.

320 (b) (i) If a taxpayer is required to recapture a portion of any federal low-income

321 housing tax credit, the taxpayer shall also be required to recapture a portion of any state tax

322 credits authorized by this section.

323 (ii) The state recapture amount shall be equal to the percentage of the state tax credit

324 that equals the proportion the federal recapture amount bears to the original federal low-income

325 housing tax credit amount subject to recapture.

326 (9) (a) Any tax credits returned to the Utah Housing Corporation in any year may be

327 reallocated within the same time period as provided in Section 42, Internal Revenue Code.

328 (b) [~~credits~~] Tax credits that are unallocated by the Utah Housing Corporation in any

329 year may be carried over for allocation in the subsequent year.

330 (10) (a) Amounts otherwise qualifying for the tax credit, but not allowable because the

331 tax credit exceeds the tax, may be carried back three years or may be carried forward five years

332 as a credit against the tax.

333 (b) Carryover tax credits under Subsection (10)(a) shall be applied against the tax:

334 (i) before the application of the tax credits earned in the current year; and

335 (ii) on a first-earned first-used basis.

336 (11) Any tax credit taken in this section may be subject to an annual audit by the

337 commission.

338 (12) The Utah Housing Corporation shall provide an annual report to the Revenue and
 339 Taxation Interim Committee which shall include at least:

- 340 (a) the purpose and effectiveness of the ~~[exemption]~~ tax credits; and
 341 (b) the benefits of the ~~[exemption]~~ tax credits to the state.

342 (13) The ~~[tax]~~ commission may, in consultation with the Utah Housing Corporation,
 343 promulgate rules to implement this section ~~[and Section 59-10-129]~~.

344 Section 5. Section **59-7-608** is amended to read:

345 **59-7-608. Targeted jobs tax credit.**

346 (1) As used in this section, "individual with a disability" means an individual who:

347 (a) has been receiving services:

348 (i) from a day-training program that is:

349 (A) for persons with disabilities~~[-which is]~~; and

350 (B) certified by the Department of Human Services as a qualifying program~~[-]~~; and

351 (ii) for at least six consecutive months prior to working for the employer claiming the
 352 tax credit under this section; or

353 (b) is eligible for services from the Division of Services for People with Disabilities at
 354 the time the individual begins working for the employer claiming the tax credit under this
 355 section.

356 (2) For taxable years beginning on or after January 1, 1995, there is allowed a
 357 nonrefundable tax credit against tax otherwise due under this chapter for an employer ~~[who]~~
 358 that:

359 (a) meets the unemployment and workers' compensation requirements of Title 34A,
 360 Utah Labor Code~~[-]~~; and

361 (b) hires an individual with a disability who:

362 ~~[(a)]~~ (i) works in this state for at least 180 days in a taxable year for that employer; and

363 ~~[(b)]~~ (ii) is paid at least minimum wages by that employer.

364 (3) The tax credit shall be in an amount equal to:

365 (a) 10% of the gross wages earned in the first 180 days of employment by the
 366 individual with a disability from the employer seeking the tax credit; and

367 (b) 20% of the gross wages earned in the remaining taxable year by the individual with
 368 a disability from the employer seeking the tax credit.

369 (4) The tax credit which may be taken by an employer under this section shall be:

370 (a) limited to \$3,000 per year per individual with a disability; and

371 (b) allowed only for the first two years the individual with a disability is employed by
372 the employer.

373 (5) Any amount of tax credit remaining may be carried forward two taxable years
374 following the taxable year of the employment eligible for the tax credit provided in this section.

375 (6) (a) The Division of Services for People with Disabilities shall certify that an
376 employer qualifies for the tax credit provided in this section on a form provided by the [~~tax~~]
377 commission.

378 (b) The form described in Subsection (6)(a) shall include the name and Social Security
379 number of the individual for whom the tax credit is claimed.

380 (c) The Division of Services for People with Disabilities shall provide the employer
381 described in Subsection (6)(a) with a copy of the form described in this Subsection (6).

382 [~~(b) An~~] (d) The employer described in Subsection (6)(a) shall [~~attach~~] retain the
383 [~~certification~~] form [~~obtained from the Division of Services for People with Disabilities to the~~
384 ~~tax return in which the credit is claimed~~] described in this Subsection (6).

385 Section 6. Section **59-7-610** is amended to read:

386 **59-7-610. Recycling market development zones tax credit.**

387 (1) For [~~tax~~] taxable years beginning on or after January 1, 1996, [~~the following state~~
388 ~~tax credits are applicable to businesses~~] a business operating in a recycling market development
389 zone as defined in Section 9-2-1602[:] may claim a tax credit as provided in this section.

390 (a) (i) There shall be allowed a nonrefundable tax credit of 5% of the purchase price
391 paid for machinery and equipment used directly in:

392 (A) commercial composting; or

393 (B) manufacturing facilities or plant units that:

394 (I) manufacture, process, compound, or produce recycled items of tangible personal
395 property for sale; or

396 (II) reduce or reuse postconsumer waste material.

397 (ii) The Department of Community and Economic Development shall certify that the
398 machinery and equipment described in Subsection (1)(a)(i) are integral to the composting or
399 recycling process;

400 (A) on a form provided by the ~~[tax]~~ commission; and
401 (B) before ~~[the]~~ a taxpayer is ~~[entitled to the]~~ allowed a tax credit under this section.

402 (iii) The Department of Community and Economic Development shall provide a
403 taxpayer seeking to claim a tax credit under this section with a copy of the form described in
404 Subsection (1)(a)(ii).

405 ~~[(iii)]~~ (iv) The taxpayer described in Subsection (1)(a)(iii) shall retain a copy of the
406 form ~~[enclose with its tax return the certification]~~ received under Subsection (1)(a)~~[(ii)]~~(iii).

407 (b) There shall be allowed a nonrefundable tax credit equal to 20% of net expenditures
408 up to \$10,000 to third parties for rent, wages, supplies, tools, test inventory, and utilities made
409 by the taxpayer for establishing and operating recycling or composting technology in Utah,
410 with an annual maximum tax credit of \$2,000.

411 (2) The total nonrefundable tax credit allowed under this section may not exceed 40%
412 of the Utah income tax liability of the taxpayer prior to any tax credits in the taxable year of
413 purchase prior to claiming the tax credit authorized by this section.

414 (3) (a) Any tax credit not used for the taxable year in which the purchase price on
415 composting or recycling machinery and equipment was paid may be carried over for credit
416 against the business's income taxes in the three succeeding taxable years until the total tax
417 credit amount is used.

418 (b) Tax credits not claimed by a business on ~~[its]~~ the business' state income tax return
419 within three years are forfeited.

420 (4) The ~~[tax]~~ commission shall make rules governing what information shall be filed
421 with the ~~[tax]~~ commission to verify the entitlement to and amount of a tax credit.

422 (5) (a) Notwithstanding Subsection (1)(a), for taxable years beginning on or after
423 January 1, 2001, a taxpayer may not claim or carry forward a tax credit described in Subsection
424 (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under
425 Section 9-2-413.

426 (b) For a taxable year other than a taxable year during which the taxpayer may not
427 claim or carry forward a tax credit in accordance with Subsection (5)(a), a taxpayer may claim
428 or carry forward a tax credit described in Subsection (1)(a):

429 (i) if the taxpayer may claim or carry forward the tax credit in accordance with
430 Subsections (1) and (2); and

431 (ii) subject to Subsections (3) and (4).

432 (6) Notwithstanding Subsection (1)(b), for taxable years beginning on or after January
433 1, 2001, a taxpayer may not claim a tax credit described in Subsection (1)(b) in a taxable year
434 during which the taxpayer claims or carries forward a tax credit under Section 9-2-413.

435 (7) A taxpayer may not claim or carry forward a tax credit available under this section
436 for a taxable year during which the taxpayer has claimed the targeted business income tax
437 credit available under Section 9-2-1803.

438 Section 7. Section **59-10-108.7** is amended to read:

439 **59-10-108.7. Recycling market development zones tax credit.**

440 (1) For ~~[tax]~~ taxable years beginning on or after January 1, 1996, ~~[the following state~~
441 ~~tax credits are applicable to]~~ an individual in a recycling market development zone as defined
442 in Section 9-2-1602[?] may claim a tax credit as provided in this section.

443 (a) (i) There shall be allowed a nonrefundable tax credit of 5% of the purchase price
444 paid for machinery and equipment used directly in:

445 (A) commercial composting; or

446 (B) manufacturing facilities or plant units that:

447 (I) manufacture, process, compound, or produce recycled items of tangible personal
448 property for sale; or

449 (II) reduce or reuse postconsumer waste material.

450 (ii) The Department of Community and Economic Development shall certify that the
451 machinery and equipment described in Subsection (1)(a)(i) are integral to the composting or
452 recycling process;

453 (A) on a form provided by the [tax] commission; and

454 (B) before [the] a taxpayer is [entitled to the] allowed a tax credit under this section.

455 (iii) The Department of Community and Economic Development shall provide a
456 taxpayer seeking to claim a tax credit under this section with a copy of the form described in
457 Subsection (1)(a)(ii).

458 ~~[(iii)]~~ (iv) The taxpayer described in Subsection (1)(a)(iii) shall [enclose with its tax
459 return the certification] retain a copy of the form received under Subsection (1)(a)[(ii)](iii).

460 (b) There shall be allowed a nonrefundable tax credit equal to 20% of net expenditures
461 up to \$10,000 to third parties for rent, wages, supplies, tools, test inventory, and utilities made

462 by the taxpayer for establishing and operating recycling or composting technology in Utah,
463 with an annual maximum tax credit of \$2,000.

464 (2) The total nonrefundable tax credit allowed under this section may not exceed 40%
465 of the Utah income tax liability of the taxpayer prior to any tax credits in the taxable year of
466 purchase prior to claiming the tax credit authorized by this section.

467 (3) (a) Any tax credit not used for the taxable year in which the purchase price on
468 composting or recycling machinery and equipment was paid may be carried over for credit
469 against the individual's income taxes in the three succeeding taxable years until the total tax
470 credit amount is used.

471 (b) Tax credits not claimed by an individual on the individual's state income tax return
472 within three years are forfeited.

473 (4) The [~~tax~~] commission shall make rules governing what information shall be filed
474 with the [~~tax~~] commission to verify the entitlement to and amount of a tax credit.

475 (5) (a) Notwithstanding Subsection (1)(a), for taxable years beginning on or after
476 January 1, 2001, a taxpayer may not claim or carry forward a tax credit described in Subsection
477 (1)(a) in a taxable year during which the taxpayer claims or carries forward a tax credit under
478 Section 9-2-413.

479 (b) For a taxable year other than a taxable year during which the taxpayer may not
480 claim or carry forward a tax credit in accordance with Subsection (5)(a), a taxpayer may claim
481 or carry forward a tax credit described in Subsection (1)(a):

482 (i) if the taxpayer may claim or carry forward the tax credit in accordance with
483 Subsections (1) and (2); and

484 (ii) subject to Subsections (3) and (4).

485 (6) Notwithstanding Subsection (1)(b), for taxable years beginning on or after January
486 1, 2001, a taxpayer may not claim a tax credit described in Subsection (1)(b) in a taxable year
487 during which the taxpayer claims or carries forward a tax credit under Section 9-2-413.

488 (7) A taxpayer may not claim or carry forward a tax credit available under this section
489 for a taxable year during which the taxpayer has claimed the targeted business income tax
490 credit available under Section 9-2-1803.

491 Section 8. Section **59-10-109** is amended to read:

492 **59-10-109. Targeted jobs tax credit.**

493 (1) As used in this section, "individual with a disability" means an individual who:

494 (a) has been receiving services;

495 (i) from a day-training program that is:

496 (A) for persons with disabilities~~[-which is];~~ and

497 (B) certified by the Department of Human Services as a qualifying program~~[-];~~ and

498 (ii) for at least six consecutive months prior to working for the employer claiming the
499 tax credit under this section; or

500 (b) is eligible for services from the Division of Services for People with Disabilities at
501 the time the individual begins working for the employer claiming the tax credit under this
502 section.

503 (2) For taxable years beginning on or after January 1, 1995, there is allowed a
504 nonrefundable tax credit against tax otherwise due under this chapter for an employer ~~[who]~~
505 that:

506 (a) meets the unemployment and workers' compensation requirements of Title 34A,
507 Utah Labor Code~~[-];~~ and

508 (b) hires an individual with a disability who:

509 ~~[(a)]~~ (i) works in this state for at least 180 days in a taxable year for that employer; and

510 ~~[(b)]~~ (ii) is paid at least minimum wages by that employer.

511 (3) The tax credit shall be in an amount equal to:

512 (a) 10% of the gross wages earned in the first 180 days of employment by the
513 individual with a disability from the employer seeking the tax credit; and

514 (b) 20% of the gross wages earned in the remaining taxable year by the individual with
515 a disability from the employer seeking the tax credit.

516 (4) The tax credit which may be taken by an employer under this section shall be:

517 (a) limited to \$3,000 per year per individual with a disability; and

518 (b) allowed only for the first two years the individual with a disability is employed by
519 the employer.

520 (5) Any amount of tax credit remaining may be carried forward two taxable years
521 following the taxable year of the employment eligible for the tax credit provided in this section.

522 (6) (a) The Division of Services for People with Disabilities shall certify that an
523 employer qualifies for the tax credit provided in this section on a form provided by the ~~[tax]~~

524 commission.

525 (b) The form described in Subsection (6)(a) shall include the name and Social Security
526 number of the individual for whom the tax credit is claimed.

527 (c) The Division of Services for People with Disabilities shall provide the employer
528 described in Subsection (6)(a) with a copy of the form described in this Subsection (6).

529 ~~[(b) An]~~ (d) The employer described in Subsection (6)(a) shall [attach] retain the
530 [certification] form [obtained from the Division of Services for People with Disabilities to the
531 tax return in which the credit is claimed] described in this Subsection (6).

532 Section 9. Section **59-10-127** is amended to read:

533 **59-10-127. Definition -- Tax credit -- Cleaner burning fuels.**

534 (1) As used in this section:

535 (a) "Board" means the Air Quality Board created in Title 19, Chapter 2, Air
536 Conservation Act.

537 (b) "Certified by the board" means that:

538 (i) a motor vehicle on which conversion equipment has been installed meets the
539 following criteria:

540 (A) before the installation of conversion equipment, the vehicle does not exceed the
541 emission cut points for a transient test driving cycle, as specified in 40 CFR 51, Appendix E to
542 Subpart S, or an equivalent test for the make, model, and year of the vehicle;

543 (B) the motor vehicle's emissions of regulated pollutants, when operating on fuels
544 listed in Subsection (2)(b), is less than the emissions were before the installation of conversion
545 equipment; and

546 (C) a reduction in emissions under Subsection (1)(b)(i)(B) is demonstrated by:

547 (I) certification of the conversion equipment by the federal Environmental Protection
548 Agency or by a state whose certification standards are recognized by the board;

549 (II) testing the motor vehicle, before and after installation of the conversion equipment,
550 in accordance with 40 CFR 86, Control of Air Pollution from New and In-use Motor Vehicle
551 Engines: Certification and Test Procedures, using all fuels the motor vehicle is capable of
552 using; or

553 (III) any other test or standard recognized by board rule; or

554 (ii) special mobile equipment on which conversion equipment has been installed meets

555 the following criteria:

556 (A) the special mobile equipment's emissions of regulated pollutants, when operating
557 on fuels listed in Subsection (2)(c), is less than the emissions were before the installation of
558 conversion equipment; and

559 (B) a reduction in emissions under Subsection (1)(b)(ii)(A) is demonstrated by:

560 (I) certification of the conversion equipment by the federal Environmental Protection
561 Agency or by a state whose certification standards are recognized by the board; or

562 (II) any other test or standard recognized by the board.

563 (c) "Clean fuel grant" means a grant the taxpayer receives under Title 9, Chapter 1, Part
564 7, Clean Fuels Conversion Program Act, for reimbursement of a portion of the incremental cost
565 of the OEM vehicle or the cost of conversion equipment.

566 (d) "Conversion equipment" means equipment referred to in Subsection (2)(b) or
567 (2)(c).

568 (e) "Incremental cost" has the same meaning as in Section 63-34-202.

569 (f) "OEM vehicle" has the same meaning as in Section 63-34-202.

570 (g) "Special mobile equipment":

571 (i) means any mobile equipment or vehicle not designed or used primarily for the
572 transportation of persons or property; and

573 (ii) includes construction or maintenance equipment.

574 (2) For taxable years beginning on or after January 1, 2001, but beginning on or before
575 December 31, 2005, a taxpayer may claim a tax credit against tax otherwise due under this
576 chapter in an amount equal to:

577 (a) 50% of the incremental cost of an OEM vehicle registered in Utah minus the
578 amount of any clean fuel grant received, up to a maximum tax credit of \$3,000 per vehicle, if
579 the vehicle:

580 (i) is fueled by propane, natural gas, or electricity;

581 (ii) is fueled by other fuel the board determines annually on or before July 1 to be at
582 least as effective in reducing air pollution as fuels under Subsection (2)(a)(i); or

583 (iii) meets the clean-fuel vehicle standards in the federal Clean Air Act Amendments of
584 1990, 42 U.S.C. Sec. 7521 et seq.;

585 (b) 50% of the cost of equipment for conversion, if certified by the board, of a motor

586 vehicle registered in Utah minus the amount of any clean fuel conversion grant received, up to
587 a maximum tax credit of \$2,500 per vehicle, if the motor vehicle:

- 588 (i) is to be fueled by propane, natural gas, or electricity;
- 589 (ii) is to be fueled by other fuel the board determines annually on or before July 1 to be
590 at least as effective in reducing air pollution as fuels under Subsection (2)(b)(i); or
- 591 (iii) will meet the federal clean fuel vehicle standards in the federal Clean Air Act
592 Amendments of 1990, 42 U.S.C. Sec. 7521 et seq.; and

593 (c) 50% of the cost of equipment for conversion, if certified by the board, of a special
594 mobile equipment engine minus the amount of any clean fuel conversion grant received, up to a
595 maximum tax credit of \$1,000 per special mobile equipment engine, if the special mobile
596 equipment is to be fueled by:

- 597 (i) propane, natural gas, or electricity; or
- 598 (ii) other fuel the board determines annually on or before July 1 to be:
599 (A) at least as effective in reducing air pollution as the fuels under Subsection (2)(c)(i);

600 or

601 (B) substantially more effective in reducing air pollution than the fuel for which the
602 engine was originally designed.

603 (3) An individual shall provide proof of the purchase of an item for which a tax credit
604 is allowed under this section by:

- 605 (a) providing proof to the board in the form the board requires by rule;
- 606 (b) receiving a written statement from the board acknowledging receipt of the proof;
- 607 and

608 (c) ~~[attaching]~~ retaining the written statement ~~[obtained from the board to the tax return~~
609 ~~in which the credit is claimed]~~ described in Subsection (3)(b).

610 (4) Except as provided by Subsection (5), ~~[this]~~ the tax credit under this section is
611 allowed only:

- 612 (a) against any Utah tax owed in the taxable year by the taxpayer;
- 613 (b) in the taxable year in which the item is purchased for which the tax credit is
614 claimed; and
- 615 (c) once per vehicle.

616 (5) If the amount of a tax credit claimed by a taxpayer under this section exceeds the

617 taxpayer's tax liability under this chapter for a taxable year, the amount of the tax credit
618 exceeding the tax liability may be carried forward for a period that does not exceed the next
619 five taxable years.

620 Section 10. Section **59-10-128** is amended to read:

621 **59-10-128. Tax credit -- Items using cleaner burning fuels.**

622 (1) As used in this section, "board" means the Air Quality Board created under Title
623 19, Chapter 2, Air Conservation Act.

624 (2) For [~~tax~~] taxable years beginning on or after January 1, 1992, but prior to January 1,
625 2003, there is allowed a tax credit against tax otherwise due under this chapter in an amount
626 equal to 10%, up to a maximum of \$50, of the total of both the purchase cost of and installation
627 services cost of each pellet burning stove, high mass wood stove, and solid fuel burning device
628 that is certified by the federal Environmental Protection Agency in accordance with test
629 procedures prescribed in 40 C.F.R. Sec. 60.534, including purchase cost and installation
630 service cost of natural gas or propane free standing fireplaces or inserts, but not including
631 fireplace logs.

632 (3) An individual shall provide proof of the purchase of an item for which a tax credit
633 is allowed under this section by:

634 (a) providing proof to the board in the form [~~it~~] the board requires by rule;

635 (b) receiving a written statement from the board acknowledging receipt of the proof;
636 and

637 (c) [~~attaching~~] retaining the written statement [~~obtained from the board to the tax return~~
638 ~~in which the credit is claimed~~] described in Subsection (3)(b).

639 (4) [~~This~~] The tax credit under this section is allowed only:

640 (a) against any Utah tax owed in the taxable year by the taxpayer; and

641 (b) [~~in~~] for the taxable year in which the item is purchased for which the tax credit is
642 claimed.

643 Section 11. Section **59-10-129** is amended to read:

644 **59-10-129. Utah low-income housing tax credit.**

645 (1) As used in this section:

646 (a) "Allocation certificate" means:

647 (i) the certificate prescribed by the [~~tax~~] commission and issued by the Utah Housing

648 Corporation to each taxpayer that specifies the percentage of the annual federal low-income
649 housing tax credit that each taxpayer may take as an annual credit against state income tax; or

650 (ii) a copy of the allocation certificate that the housing sponsor provides to the
651 taxpayer.

652 (b) "Building" means a qualified low-income building as defined in Section 42(c),
653 Internal Revenue Code.

654 (c) "Federal low-income housing tax credit" means the tax credit under Section 42,
655 Internal Revenue Code.

656 (d) "Housing sponsor" means a corporation in the case of a C corporation, a partnership
657 in the case of a partnership, a corporation in the case of an S corporation, or a limited liability
658 company in the case of a limited liability company.

659 (e) "Qualified allocation plan" means the qualified allocation plan adopted by the Utah
660 Housing Corporation pursuant to Section 42(m), Internal Revenue Code.

661 (f) "Special low-income housing tax credit certificate" means a certificate:

662 (i) prescribed by the [~~tax~~] commission;

663 (ii) that a housing sponsor issues to a taxpayer for a taxable year; and

664 (iii) that specifies the amount of a tax credit a taxpayer may claim under this section if
665 the taxpayer meets the requirements of this section.

666 (g) "Taxpayer" means [~~the~~] a person [~~entitled to the~~] that is allowed a tax credit
667 [~~provided under~~] in accordance with this section which is the corporation in the case of a C
668 corporation, the partners in the case of a partnership, the shareholders in the case of an S
669 corporation, and the members in the case of a limited liability company.

670 (2) (a) For taxable years beginning on or after January 1, 1995, there is allowed a
671 nonrefundable tax credit against taxes otherwise due under this chapter for taxpayers issued an
672 allocation certificate.

673 (b) The tax credit shall be in an amount equal to the greater of the amount of:

674 (i) federal low-income housing tax credit to which the taxpayer is [~~entitled~~] allowed
675 during that year multiplied by the percentage specified in an allocation certificate issued by the
676 Utah Housing Corporation; or

677 (ii) tax credit specified in the special low-income housing tax credit certificate that the
678 housing sponsor issues to the taxpayer as provided in Subsection (2)(c).

679 (c) For purposes of Subsection (2)(b)(ii), the tax credit is equal to the product of:
680 (i) the total amount of low-income housing tax credit under this section that:
681 (A) a housing sponsor is allowed for a building; and
682 (B) all of the taxpayers may claim with respect to the building if the taxpayers meet the
683 requirements of this section; and
684 (ii) the percentage of tax credit a taxpayer may claim:
685 (A) under this section if the taxpayer meets the requirements of this section; and
686 (B) as provided in the agreement between the taxpayer and the housing sponsor.
687 (d) (i) For the calendar year beginning on January 1, 1995, through the calendar year
688 beginning on January 1, 2005, the aggregate annual tax credit [~~which~~] that the Utah Housing
689 Corporation may allocate for the credit period described in Section 42(f), Internal Revenue
690 Code, pursuant to this section and Section 59-7-607 is an amount equal to the product of:
691 (A) 12.5 cents; and
692 (B) the population of Utah.
693 (ii) For purposes of this section, the population of Utah shall be determined in
694 accordance with Section 146(j), Internal Revenue Code.
695 (3) (a) By October 1, 1994, the Utah Housing Corporation shall determine criteria and
696 procedures for allocating the tax credit under this section and Section 59-7-607 and incorporate
697 the criteria and procedures into the Utah Housing Corporation's qualified allocation plan.
698 (b) The Utah Housing Corporation shall create the criteria under Subsection (3)(a)
699 based on:
700 (i) the number of affordable housing units to be created in Utah for low and moderate
701 income persons in the residential housing development of which the building is a part;
702 (ii) the level of area median income being served by the development;
703 (iii) the need for the tax credit for the economic feasibility of the development; and
704 (iv) the extended period for which the development commits to remain as affordable
705 housing.
706 (4) (a) [~~Any~~] The following may apply to the Utah Housing Corporation for a tax credit
707 under this section:
708 (i) any housing sponsor that has received an allocation of the federal low-income
709 housing tax credit [~~and~~]; or

710 (ii) any applicant for an allocation of the federal low-income housing tax credit [~~may~~
711 ~~apply to the Utah Housing Corporation for a credit under this section~~].

712 (b) The Utah Housing Corporation may not require fees for applications of the tax
713 credit under this section in addition to those fees required for applications for the federal
714 low-income housing tax credit.

715 (5) (a) The Utah Housing Corporation shall determine the amount of the tax credit to
716 allocate to a qualifying housing sponsor in accordance with the qualified allocation plan of the
717 Utah Housing Corporation.

718 (b) (i) The Utah Housing Corporation shall allocate the tax credit to housing sponsors
719 by issuing an allocation certificate to qualifying housing sponsors.

720 (ii) The allocation certificate under Subsection (5)(b)(i) shall specify the allowed
721 percentage of the federal low-income housing tax credit as determined by the Utah Housing
722 Corporation.

723 (c) The percentage specified in an allocation certificate may not exceed 100% of the
724 federal low-income housing tax credit.

725 (6) [~~If a partnership, an S corporation, or a limited liability company qualifies for the~~
726 ~~credit provided in this section as a] A housing sponsor[~~it~~] shall provide a copy of the
727 allocation certificate to [~~the taxpayers of the entity. (7) A taxpayer shall attach a copy of the~~
728 ~~allocation certificate to any return upon which a credit is claimed under this section.~~] each
729 taxpayer that is issued a special low-income housing tax credit certificate.~~

730 (7) (a) A housing sponsor shall provide to the commission a list of:

731 (i) the taxpayers issued a special low-income housing tax credit certificate; and

732 (ii) for each taxpayer described in Subsection (7)(a)(i), the amount of tax credit listed
733 on the special low-income housing tax credit certificate.

734 (b) A housing sponsor shall provide the list required by Subsection (7)(a):

735 (i) to the commission;

736 (ii) on a form provided by the commission; and

737 (iii) with the housing sponsor's tax return for each taxable year for which the housing
738 sponsor issues a special low-income housing tax credit certificate described in this Subsection
739 (7).

740 (8) (a) All elections made by the taxpayer pursuant to Section 42, Internal Revenue

741 Code, shall apply to this section.

742 (b) (i) If a taxpayer is required to recapture a portion of any federal low-income
743 housing tax credit, the taxpayer shall also be required to recapture a portion of any state tax
744 credits authorized by this section.

745 (ii) The state recapture amount shall be equal to the percentage of the state tax credit
746 that equals the proportion the federal recapture amount bears to the original federal low-income
747 housing tax credit amount subject to recapture.

748 (9) (a) Any tax credits returned to the Utah Housing Corporation in any year may be
749 reallocated within the same time period as provided in Section 42, Internal Revenue Code.

750 (b) [~~credits~~] Tax credits that are unallocated by the Utah Housing Corporation in any
751 year may be carried over for allocation in the subsequent year.

752 (10) (a) Amounts otherwise qualifying for the tax credit, but not allowable because the
753 tax credit exceeds the tax, may be carried back three years or may be carried forward five years
754 as a credit against the tax.

755 (b) Carryover tax credits under Subsection (10)(a) shall be applied against the tax:

756 (i) before the application of the tax credits earned in the current year; and

757 (ii) on a first-earned first-used basis.

758 (11) Any tax credit taken in this section may be subject to an annual audit by the
759 commission.

760 (12) The Utah Housing Corporation shall provide an annual report to the Revenue and
761 Taxation Interim Committee which shall include at least:

762 (a) the purpose and effectiveness of the [~~exemption~~] tax credits; and

763 (b) the benefits of the [~~exemption~~] tax credits to the state.

764 (13) The commission may, in consultation with the Utah Housing Corporation,
765 promulgate rules to implement this section.

766 Section 12. Section **59-10-507** is amended to read:

767 **59-10-507. Return by partnership.**

768 [~~Every~~] (1) For purposes of this section, "taxable year" means a year or other time
769 period that would be a taxable year of a partnership if the partnership were subject to taxation
770 under this chapter.

771 (2) A partnership having any income derived from sources in this state [~~determined in~~

772 ~~accordance with Section 59-10-303)] shall make a return for the taxable year as prescribed by~~
 773 ~~the commission[, and shall attach to such return a copy of its federal partnership return for the~~
 774 ~~same year. For purposes of this section, "taxable year" means a year or period which would be~~
 775 ~~a taxable year of the partnership if it were subject to tax under this chapter].~~

776 (3) For purposes of Subsection (2), a partnership's income derived from sources in this
 777 state shall be determined in accordance with Section 59-10-303.

778 Section 13. Section **59-10-514** is amended to read:

779 **59-10-514. Place and time for filing returns.**

780 ~~[The income]~~ (1) A tax return required by this chapter shall be filed with the
 781 commission:

782 (a) except as provided in Subsection (1)(b), on or before the 15th day of the fourth
 783 month following the ~~[close]~~ last day of the taxpayer's taxable year~~[-]; or~~

784 (b) notwithstanding Subsection (1)(a), on or before the day on which the return is due
 785 under the Internal Revenue Code if:

786 (i) the return is an electronically filed individual income tax return; and

787 (ii) the Internal Revenue Code provides a due date for filing the electronically filed
 788 individual income tax return that is different from the due date described in Subsection (1)(a).

789 (2) A person required to make and file a return under this chapter shall, without
 790 assessment, notice, or demand, pay any tax due ~~[thereon]:~~

791 (a) to the commission ~~[or]; and~~

792 (b) before the due date ~~[fixed]~~ for filing ~~[such]~~ the return ~~[(determined without regard~~
 793 ~~to any extension of time for filing the return)]~~.

794 Section 14. **Retrospective operation.**

795 This act has retrospective operation for taxable years beginning on or after January 1,
 796 2003.

Legislative Review Note
 as of 1-8-03 1:02 PM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0043

**Providing Information Relating to Tax Credits and Tax Filing Due
Dates**

20-Jan-03
10:03 AM

State Impact

No fiscal impact.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst