

**2nd Sub. S.B. 242**  
**TAX REVISIONS**

Representative **Greg J. Curtis** proposes the following amendments:

1. *Page 45, Line 1380 through Page 46, Line 1392:*

1380           {+}   {-(g)}   (b)   except as provided in Subsection   {-(6)}   (4) , for taxable years  
beginning on or after  
1381   January 1, 2003, for bonds, notes, and other evidences of indebtedness acquired on or after  
1382   January 1, 2003, the interest from bonds, notes, and other evidences of indebtedness issued by  
1383   one or more of the following entities:   {+}  
1384           {+}   (i) a state other than this state;   {+}  
1385           {+}   (ii) the District of Columbia;   {+}  
1386           {+}   (iii) a political subdivision of a state other than this state; or   {+}  
1387           {+}   (iv) an agency or instrumentality of an entity described in Subsections  
1388   (1) {-(g)}   (b)   (i)  
through (iii);   {+}  
1389           [(-)]   {-(b)}   (c)   any distribution received by a resident beneficiary of a resident trust of income  
1390   that was taxed at the trust level for federal tax purposes, but was subtracted from state taxable  
1391   income of the trust pursuant to Subsection 59-10-202(2)[(-)] (b); and  
1392           [(+)]   {-(c)}   (d)   any distribution received by a resident beneficiary of a nonresident trust of

2. *Page 53, Lines 1622 through 1634:*

1622           {+}   (6)   {~~Notwithstanding Subsection (1)(g), interest~~}   Interest   from bonds, notes, and  
other evidences  
1623   of indebtedness issued by an entity described in Subsections (1)   {-(g)}   (b)   (i) through (iv) may not  
be  
1624   added to   {~~federal taxable~~}   adjusted gross   income of a resident or nonresident individual if, as  
annually  
1625   determined by the commission:   {+}  
1626           {+}   (a) for an entity described in Subsection (1)   {-(g)}   (b)   (i) or (ii), the entity and all of  
the  
1627   political subdivisions, agencies, or instrumentalities of the entity do not impose a tax based on  
1628   income on any part of the bonds, notes, and other evidences of indebtedness of this state; or   {+}  
1629           {+}   (b) for an entity described in Subsection (1)   {-(g)}   (b)   (iii) or (iv), the following do  
not impose  
1630   a tax based on income on any part of the bonds, notes, and other evidences of indebtedness of

1631 this state: {+}  
1632 {+} (i) the entity; or {+}  
1633 {+} (ii) (A) the state in which the entity is located; or {+}  
1634 {+} (B) the District of Columbia, if the entity is located within the District of  
Columbia. {+}

3. Page 61, Lines 1866 through 1867:

1866 (1) There shall be added to [~~federal taxable~~] adjusted gross income of a resident or  
1867 nonresident estate or trust {+} : {+}  
= (a) except as provided in Subsection (3), for taxable years beginning on or after January 1, 2003, for bonds, notes, and other evidences of indebtedness acquired on or after January 1, 2003, the interest from bonds, notes, and other evidences of indebtedness issued by one or more of the following entities:  
(i) a state other than this state;  
(ii) the District of Columbia;  
(iii) a political subdivision of a state other than this state; or  
(iv) an agency or instrumentality of an entity described in Subsections (1)(a)(i) through (iii); and  
(b) any fiduciary adjustments required by Section 59-10-210.

4. Page 64, Lines 1967 through 1968:

1967 (ii) that are substantially similar to how federal adjusted gross income derived from  
1968 Utah sources is determined under Section 59-10-117.  
(4) Interest from bonds, notes, and other evidences of indebtedness issued by an entity described in Subsections (1)(a)(i) through (iv) may not be added to adjusted gross income of a resident or nonresident individual if, as annually determined by the commission:  
(a) for an entity described in Subsection (1)(a)(i) or (ii), the entity and all of the political subdivisions, agencies, or instrumentalities of the entity do not impose a tax based on income on any part of the bonds, notes, and other evidences of indebtedness of this state; or  
(b) for an entity described in Subsection (1)(a)(iii) or (iv), the following do not impose a tax based on income on any part of the bonds, notes, and other evidences of indebtedness of the state:  
(i) the entity; or  
(ii) (A) the state in which the entity is located; or  
(B) the District of Columbia, if the entity is located within the District of Columbia.

5. Page 104, Line 3192:

3192 (b) Subsection 59-10-114(1) {~~(c)~~} (d) .