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**RESOLUTION INCREASING PUBLIC
AWARENESS OF CAPITAL GAINS TAX
DEDUCTION**

2007 GENERAL SESSION
STATE OF UTAH

Chief Sponsor: Wayne L. Niederhauser

LONG TITLE

General Description:

This resolution of the Senate encourages Utah citizens to consider their eligibility for a capital gains tax deduction.

Highlighted Provisions:

- This resolution:
- ▶ encourages citizens of the state to determine whether they are eligible for a capital gains tax deduction.

Special Clauses:

None

Be it resolved by the Senate of the state of Utah:

WHEREAS, the state of Utah currently possesses one of the best economies in the country;

WHEREAS, Utah's economy is attracting national attention and new businesses;

WHEREAS, the state's budget surplus currently stands at \$1.6 billion;

WHEREAS, for the second year in a row, Inc. magazine has ranked Utah as the top entrepreneurial state per capita in the nation;

WHEREAS, Utah Code Subsection 59-10-114(2)(1)(i) states, "There shall be subtracted from federal taxable income of a resident or nonresident individual . . . for taxable years beginning on or after January 1, 2003, the total amount of a resident or nonresident individual's short-term capital gain or long-term capital gain on a capital gain transaction";

30 WHEREAS, the Utah Code further explains that a capital gains tax deduction may be
31 taken on a transaction that occurs on or after January 1, 2003; if 70% or more of the gross
32 proceeds of the capital gain transaction are expended to purchase qualifying stock in a Utah
33 small business corporation within a 12-month period after the day on which the capital gain
34 transaction occurs; and if, prior to the purchase of the qualifying stock, the resident or
35 nonresident individual did not have an ownership interest in the Utah small business
36 corporation that issued the qualifying stock;

37 WHEREAS, given the relatively small number of capital gains tax deductions that are
38 claimed, it appears that many taxpayers may not be aware of the tax deduction, or whether they
39 qualify to receive it; and

40 WHEREAS, the capital gains tax deduction, as provided in the Utah Code, is available
41 to qualifying resident and nonresident taxpayers:

42 NOW, THEREFORE, BE IT RESOLVED that the Senate of the state of Utah
43 encourages resident and nonresident taxpayers of the state to increase their awareness of the
44 capital gains tax deduction so that they can determine whether they qualify for the deduction.

45 BE IT FURTHER RESOLVED that copies of this resolution be sent to the Utah State
46 Tax Commission.