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

2007 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Wayne L. Niederhauser**

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**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

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*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



28 beginning on or after January 1, 2003, the total amount of a resident or nonresident individual's  
29 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.

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**Legislative Review Note**  
**as of 2-7-07 9:03 AM**

**Office of Legislative Research and General Counsel**

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**Fiscal Note****S.R. 3 - Resolution Increasing Public Awareness of Capital Gains Tax  
Deduction**

2007 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill could make individuals aware of capital gains deductions available to them through current statutes.

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