

**INCOME TAX CREDIT FOR A DISABLED  
DEPENDENT**

2009 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: John Dougall**

Senate Sponsor: Wayne L. Niederhauser

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**LONG TITLE**

**General Description:**

This bill amends the Nonrefundable Tax Credit Act to allow a tax credit for a dependent adult with a disability or dependent child with a disability as part of the taxpayer tax credit.

**Highlighted Provisions:**

This bill:

- ▶ defines terms;
- ▶ for a taxable year beginning on or after January 1, 2009, allows a tax credit for a dependent adult with a disability or dependent child with a disability as part of the taxpayer tax credit; and
- ▶ makes technical changes.

**Monies Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill has retrospective operation for a taxable year beginning on or after January 1, 2009.

**Utah Code Sections Affected:**

AMENDS:

**59-10-1018**, as renumbered and amended by Laws of Utah 2008, Chapter 389



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

Section 1. Section **59-10-1018** is amended to read:

**59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

(1) As used in this section:

(a) "Dependent adult with a disability" means an individual:

(i) with respect to whom a claimant makes a deduction as allowed as a personal exemption deduction on the claimant's federal individual income tax return for the taxable year; and

(ii) is:

(A) 18 years of age or older;

(B) eligible for services under Title 62A, Chapter 5, Services for People with Disabilities; and

(C) not enrolled in:

(I) an education program for students with disabilities that is authorized under Section 53A-15-301; or

(II) a school established under Title 53A, Chapter 25, Schools for the Deaf and Blind.

(b) "Dependent child with a disability" means an individual 21 years of age or younger:

(i) with respect to whom a claimant makes a deduction as allowed as a personal exemption deduction on the claimant's federal individual income tax return for the taxable year; and

(ii) who is:

(A) (I) diagnosed by a school district representative under rules adopted by the State Board of Education as having a disability classified as:

(Aa) autism;

(Bb) deafness;

(Cc) preschool developmental delay;

(Dd) dual sensory impairment;

(Ee) hearing impairment;

(Ff) intellectual disability;

(Gg) multidisability;

59           (Hh) orthopedic impairment;  
60           (Ii) other health impairment;  
61           (Jj) traumatic brain injury; or  
62           (Kk) visual impairment;  
63           (II) not receiving residential services from:  
64           (Aa) the Division of Services for People with Disabilities created under Section  
65 62A-5-102; or  
66           (Bb) a school established under Title 53A, Chapter 25, Schools for the Deaf and Blind;  
67 and  
68           (III) enrolled in:  
69           (Aa) an education program for students with disabilities that is authorized under  
70 Section 53A-15-301; or  
71           (Bb) a school established under Title 53A, Chapter 25, Schools for the Deaf and Blind;  
72 or  
73           (B) identified under guidelines of the Department of Health as qualified for:  
74           (I) Early Intervention; or  
75           (II) Infant Development Services.

76           ~~[(a)]~~ (c) "Head of household filing status" means a head of household, as defined in  
77 Section 2(b), Internal Revenue Code, who files a single federal individual income tax return for  
78 the taxable year.

79           ~~[(b)]~~ (d) "Joint filing status" means:  
80           (i) a husband and wife who file a single return jointly under this chapter for ~~[(a)]~~ the  
81 taxable year; or  
82           (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a  
83 single federal individual income tax return for the taxable year.

84           ~~[(c)]~~ (e) "Single filing status" means:  
85           (i) a single individual who files a single federal individual income tax return for the  
86 taxable year; or  
87           (ii) a married individual who:  
88           (A) does not file a single federal individual income tax return jointly with that married  
89 individual's spouse for the taxable year; and

90 (B) files a single federal individual income tax return for the taxable year.

91 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through  
92 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part  
93 equal to the sum of:

94 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal  
95 individual income tax return for the taxable year, 6% of the amount the claimant deducts as  
96 allowed as the standard deduction on the claimant's federal individual income tax return for  
97 that taxable year; or

98 (ii) for a claimant that itemizes deductions on the claimant's federal individual income  
99 tax return for the taxable year, the product of:

100 (A) the difference between:

101 (I) the amount the claimant deducts as allowed as an itemized deduction on the  
102 claimant's federal individual income tax return for that taxable year; and

103 (II) any amount of state or local income taxes the claimant deducts as allowed as an  
104 itemized deduction on the claimant's federal individual income tax return for that taxable year;  
105 and

106 (B) 6%; and

107 (b) the sum of:

108 [~~(b)~~] (i) the product of:

109 [~~(i)~~] (A) 75% of the total amount the claimant deducts as allowed as a personal  
110 exemption deduction, including the amount the claimant deducts as allowed as a personal  
111 exemption deduction with respect to any dependent adult with a disability or dependent child  
112 with a disability, on the claimant's federal individual income tax return for that taxable year;  
113 and

114 [~~(i)~~] (B) 6%[-]; and

115 (ii) for a taxable year beginning on or after January 1, 2009, with respect to each  
116 dependent adult with a disability or dependent child with a disability that the claimant deducts  
117 as allowed as a personal exemption deduction on the claimant's federal individual income tax  
118 return for that taxable year, the product of:

119 (A) 75% of the total amount the claimant deducts as allowed as a personal exemption  
120 deduction on the claimant's federal individual income tax return for that taxable year with

121 respect to the dependent child with a disability or dependent adult with a disability; and

122 (B) 6%.

123 (3) A claimant may not carry forward or carry back a tax credit under this section.

124 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar

125 by which a claimant's state taxable income exceeds:

126 (a) for a claimant who has a single filing status, \$12,000;

127 (b) for a claimant who has a head of household filing status, \$18,000; or

128 (c) for a claimant who has a joint filing status, \$24,000.

129 (5) (a) For taxable years beginning on or after January 1, 2009, the commission shall

130 increase or decrease the following dollar amounts by a percentage equal to the percentage

131 difference between the consumer price index for the preceding calendar year and the consumer

132 price index for calendar year 2007:

133 (i) the dollar amount listed in Subsection (4)(a); and

134 (ii) the dollar amount listed in Subsection (4)(b).

135 (b) After the commission increases or decreases the dollar amounts listed in Subsection

136 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the

137 nearest whole dollar.

138 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b),

139 the commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that

140 the dollar amount listed in Subsection (4)(c) is equal to the product of:

141 (i) the dollar amount listed in Subsection (4)(a); and

142 (ii) two.

143 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer

144 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

145 **Section 2. Retrospective operation.**

146 This bill has retrospective operation for a taxable year beginning on or after January 1,

147 2009.

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**Legislative Review Note**  
as of 2-11-09 8:44 AM

**Office of Legislative Research and General Counsel**

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**H.B. 184 - Income Tax Credit for a Disabled Dependent**

**Fiscal Note**

2009 General Session

State of Utah

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**State Impact**

Enactment of this bill could reduce the Education Fund by \$2,270,000 in FY 2010 and by \$2,330,000 in FY 2011.

	<u>2009</u> <u>Approp.</u>	<u>2010</u> <u>Approp.</u>	<u>2011</u> <u>Approp.</u>	<u>2009</u> <u>Revenue</u>	<u>2010</u> <u>Revenue</u>	<u>2011</u> <u>Revenue</u>
Education Fund	\$0	\$0	\$0	\$0	(\$2,330,000)	(\$2,330,000)
Education Fund, One-Time	\$0	\$0	\$0	\$0	\$60,000	\$0
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$2,270,000)</b>	<b>(\$2,330,000)</b>

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

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for businesses, or local governments. Eligible taxpayers could receive a benefit of approximately \$158.

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