

HB0317S01 compared with HB0317

~~{deleted text}~~ shows text that was in HB0317 but was deleted in HB0317S01.

inserted text shows text that was not in HB0317 but was inserted into HB0317S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will not be completely accurate. Therefore, you need to read the actual bill. This automatically generated document could experience abnormalities caused by: limitations of the compare program; bad input data; the timing of the compare; and other potential causes.

Representative Brad J. Galvez proposes the following substitute bill:

CURRENCY AMENDMENTS

2011 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brad J. Galvez

Senate Sponsor: _____

LONG TITLE

General Description:

This bill recognizes gold and silver coins that are issued ~~{and deemed legal tender}~~ by the federal government as legal tender in the state and exempts the exchange of the coins from certain types of state tax liability.

Highlighted Provisions:

This bill:

- ▶ provides definitions;
- ▶ recognizes gold and silver coins issued ~~{and deemed legal tender}~~ by the federal government to be legal tender in the state;
- ▶ does not compel a person to tender or accept gold and silver coin;
- ▶ provides that the exchange of gold and silver coins for another form of legal tender does not create any individual income or sales tax liability;

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- ▶ requires the Revenue and Taxation Interim Committee to:
 - study the possibility of establishing an alternative form of legal tender;
 - recommend whether an alternative form of legal tender should be established;and
 - prepare any recommended legislation for the 2012 General Session; and
- ▶ enacts an uncodified severability clause.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

59-10-1002.2, as renumbered and amended by Laws of Utah 2008, Chapter 389

ENACTS:

59-1-1501, Utah Code Annotated 1953

59-1-1502, Utah Code Annotated 1953

59-1-1503, Utah Code Annotated 1953

59-1-1504, Utah Code Annotated 1953

59-10-1025, Utah Code Annotated 1953

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

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

Section 1. Section **59-1-1501** is enacted to read:

Part 15. Legal Tender Act

59-1-1501. Title.

This part is known as the "Legal Tender Act."

Section 2. Section **59-1-1502** is enacted to read:

59-1-1502. Gold and silver coin.

(1) Gold and silver coin issued ~~{and deemed legal tender }~~ by the federal government is legal tender in the state.

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(2) A person may not compel any other person to tender or accept gold and silver coin that is issued ~~and deemed legal tender~~ by the federal government.

Section 3. Section **59-1-1503** is enacted to read:

59-1-1503. Nonrefundable credit -- Sales tax exemption.

(1) There is a nonrefundable credit established for any capital gains incurred from the exchange of gold and silver coin issued ~~and deemed legal tender~~ by the federal government for another form of legal tender as provided in Section 59-10-1025.

(2) The exchange of gold and silver coin issued ~~and deemed legal tender~~ by the federal government for another form of legal tender is exempt from sales and use taxes as provided in Subsection 59-12-104(50).

Section 4. Section **59-1-1504** is enacted to read:

59-1-1504. Revenue and Taxation Interim Committee study.

The Revenue and Taxation Interim Committee shall during the 2011 interim:

(1) study the possibility of establishing an alternative form of legal tender for the payment of debts, public charges, taxes, and dues within the state;

(2) recommend whether legislation should be drafted to establish an alternative form of legal tender; and

(3) prepare any legislation that the Revenue and Taxation Interim Committee recommends in accordance with Subsection (2) for consideration by the Legislature during the 2012 General Session.

Section 5. Section **59-10-1002.2** is amended to read:

59-10-1002.2. Apportionment of tax credits.

(1) A nonresident individual or a part-year resident individual that claims a tax credit in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1021, 59-10-1022, 59-10-1023, [or] 59-10-1024, or ~~59-10-1024,~~ 59-10-1025 may only claim an apportioned amount of the tax credit equal to:

(a) for a nonresident individual, the product of:

(i) the state income tax percentage for the nonresident individual; and

(ii) the amount of the tax credit that the nonresident individual would have been allowed to claim but for the apportionment requirements of this section; or

(b) for a part-year resident individual, the product of:

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(i) the state income tax percentage for the part-year resident individual; and
(ii) the amount of the tax credit that the part-year resident individual would have been allowed to claim but for the apportionment requirements of this section.

(2) A nonresident estate or trust that claims a tax credit in accordance with Section 59-10-1017, 59-10-1020, 59-10-1022, ~~[or] 59-10-1024,~~ or ~~59-10-1024,~~ 59-10-1025 may only claim an apportioned amount of the tax credit equal to the product of:

(a) the state income tax percentage for the nonresident estate or trust; and
(b) the amount of the tax credit that the nonresident estate or trust would have been allowed to claim but for the apportionment requirements of this section.

Section ~~59-10-1024~~ 6. Section **59-10-1025** is enacted to read:

59-10-1025. Nonrefundable tax credit for capital gain transactions on the exchange of gold and silver coin for another form of legal tender.

(1) As used in this section:

(a) "Capital gain transaction" means a transaction that results in a:

(i) short-term capital gain; or

(ii) long-term capital gain.

(b) "Long-term capital gain" is as defined in Section 1222, Internal Revenue Code.

(c) "Short-term capital gain" is as defined in Section 1222, Internal Revenue Code.

(2) ~~For~~ Except as provided in Section 59-10-1002.2, for taxable years beginning on or after January 1, 2012, a claimant, estate, or trust may claim a nonrefundable tax credit equal to the product of:

(a) to the extent a capital gain is not offset by a capital loss under Chapter 1, Subchapter P, Capital Gains and Losses, Internal Revenue Code, the total amount of the claimant's, estate's, or trust's short-term capital gain or long-term capital gain on a capital gain transaction from an exchange made on or after January 1, 2012, of gold or silver coin issued ~~and deemed legal tender~~ by the federal government for another form of legal tender; and

(b) 5%.

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

(4) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to implement this section.

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Section ~~6~~7. Severability clause.

If any section of this bill or the application of any section of this bill to any person or circumstance is held invalid by a final decision of a court of competent jurisdiction, the remainder of this bill shall be given effect without the invalid section or application. The provisions of this bill are severable.

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Legislative Review Note

~~as of 2-22-11 11:12 AM~~

~~Office of Legislative Research and General Counsel~~