

**INDIVIDUAL INCOME TAX CREDIT FOR USE TAX
LIABILITY**

2012 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Jim Nielson

Senate Sponsor: _____

LONG TITLE

General Description:

This bill amends the Nonrefundable Tax Credit Act to enact an income tax credit for use tax liability.

Highlighted Provisions:

This bill:

- ▶ enacts a nonrefundable individual income tax credit for certain use tax liability;
- ▶ provides for apportionment of the tax credit; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill has retrospective operation for a taxable year beginning on or after January 1, 2012.

Utah Code Sections Affected:

AMENDS:

59-10-1002.2, as last amended by Laws of Utah 2011, Chapter 302

ENACTS:

59-10-1029, Utah Code Annotated 1953



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

29 Section 1. Section **59-10-1002.2** is amended to read:

30 **59-10-1002.2. Apportionment of tax credits.**

31 (1) A nonresident individual or a part-year resident individual that claims a tax credit
32 in accordance with Section 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1021, 59-10-1022,
33 59-10-1023, 59-10-1024, [or] 59-10-1028, or 59-10-1029 may only claim an apportioned
34 amount of the tax credit equal to:

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

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

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

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

40 (i) the state income tax percentage for the part-year resident individual; and

41 (ii) the amount of the tax credit that the part-year resident individual would have been
42 allowed to claim but for the apportionment requirements of this section.

43 (2) A nonresident estate or trust that claims a tax credit in accordance with Section
44 59-10-1017, 59-10-1020, 59-10-1022, 59-10-1024, [or] 59-10-1028, or 59-10-1029 may only
45 claim an apportioned amount of the tax credit equal to the product of:

46 (a) the state income tax percentage for the nonresident estate or trust; and

47 (b) the amount of the tax credit that the nonresident estate or trust would have been
48 allowed to claim but for the apportionment requirements of this section.

49 Section 2. Section **59-10-1029** is enacted to read:

50 **59-10-1029. Nonrefundable tax credit for use tax liability.**

51 (1) Subject to Section 59-10-1002.2 and the other provisions of this section, a claimant,
52 estate, or trust may claim a nonrefundable tax credit equal to the use tax liability under Chapter
53 12, Sales and Use Tax Act, that the claimant, estate, or trust pays on a return filed under this
54 chapter for a taxable year.

55 (2) A tax credit under this section may not exceed \$400 on a return.

56 (3) A claimant, estate, or trust may not claim a tax credit under this section if the
57 claimant, estate, or trust is required to:

58 (a) file a return under Chapter 12, Sales and Use Tax Act; or

59 (b) collect a tax under Chapter 12, Sales and Use Tax Act.
60 (4) A tax credit under this section may not be carried forward or carried back.
61 Section 3. **Retrospective operation.**
62 This bill has retrospective operation for a taxable year beginning on or after January 1,
63 2012.

Legislative Review Note
as of 10-14-11 10:22 AM

Office of Legislative Research and General Counsel