

**S.B. 143**  
**INCOME TAX - PASS-THROUGH ENTITIES**

Senator **Curtis S. Bramble** proposes the following amendments:

1. *Page 1, Lines 18 through 21:*

- 18           ▶ provides that certain penalties and interest may not be imposed if a pass-through  
19 entity that is a trust fails to pay or withhold an amount with respect to a dependent  
20 beneficiary; ~~{and}~~  
              ▶ establishes a rebuttable presumption for purposes of an audit; and  
21           ▶ makes technical and conforming changes.

2. *Page 9, Lines 249 through 261:*

- 249           (6) Notwithstanding Section 59-1-401 or 59-1-402, the commission may not collect an  
250 amount under this section for a taxable year from a pass-through entity that is a trust and shall  
251 waive any penalty and interest on that amount if:  
252           (a) the pass-through entity fails to pay or withhold the tax on the amount as required by  
253 this section on behalf of a dependent beneficiary;  
254           (b) the pass-through entity applies to the commission; and  
255           (c) (i) the dependent beneficiary complies with the requirements of Subsection (5)(b);  
256 or  
257           (ii) (A) the dependent beneficiary's adjusted gross income for the taxable year does not  
258 exceed the basic standard deduction for the dependent beneficiary, as calculated under Section  
259 63, Internal Revenue Code, for that taxable year; and  
260           (B) the trustee of the trust retains a statement of dependent beneficiary income on  
261 behalf of the dependent beneficiary.

(7) If a pass-through entity would have otherwise qualified for a waiver of a penalty and interest under Subsection (6), except that the trustee of a trust has not applied to the commission as required by Subsection (6)(b) or retained the statement of dependent beneficiary income required by Subsection (6)(c)(ii)(B), it is a rebuttable presumption in an audit that the pass-through entity would have otherwise qualified for the waiver of the penalty and interest under Subsection (6).