

**S.B. 233**  
**UTAH SMALL BUSINESS JOBS ACT**

Senator **John L. Valentine** proposes the following amendments:

1. *Page 2, Lines 31 through 32:*

31 Other Special Clauses:

32 This bill takes effect on ~~{July 1}~~ September 2, 2014.

2. *Page 4, Lines 105 through 107:*

105 (2) An entity may claim a nonrefundable tax credit against a tax liability under this  
106 chapter in accordance with this section if the entity is issued a tax credit certificate by the office  
107 under Subsection 63M-1-3403(11). **The office shall issue a tax credit certificate to an entity that is**  
**allocated tax credits under Subsection 63M-1-3403(11)(e).**

3. *Page 4, Lines 114 through 116:*

114 (5) An entity required to pay a retaliatory tax levied under this chapter for a reason  
115 other than claiming the tax credit may claim the tax credit after the retaliatory tax amount is  
116 calculated **, and the tax credit may be used to offset retaliatory tax liability** .

4. *Page 8, Lines 223 through 227:*

223 (4) "Credit allowance date" means with respect to a qualified equity investment:  
224 ~~{(a) the January 1 immediately following the date on which the qualified equity~~  
225 ~~investment is initially made; and~~  
226 ~~—(b) the January 1 immediately following each of the six anniversary dates of the date~~  
227 ~~on which the qualified equity investment is initially made. }~~ **(a) the date on which the qualified equity**  
**investment is initially made; and**  
**(b) each of the six anniversary dates of the date described in Subsection (4)(a).**

5. *Page 8, Lines 236 through 238:*

236 ~~{(7) "Pass-through entity" is as defined in Section 59-10-1402.~~  
237 ~~(8) "Pass-through entity taxpayer" is as defined in Section 59-10-1402. }~~  
238 ~~{(9) }~~ **(7)** "Purchase price" means the amount paid to the qualified community development

6. *Page 8, Line 242:*

242 ~~{(10) }~~ **(8)** (a) "Qualified active low-income community business" is as defined in Section

7. Page 9, Line 247:

247 (b) Notwithstanding Subsection ~~{(10)}~~ (8) (a), "qualified active low-income community

8. Page 9, Line 260:

260 ~~{(11)}~~ (9) (a) "Qualified community development entity" is as defined in Section 45D.

9. Page 9, Line 270:

270 ~~{(12)}~~ (10) (a) "Qualified equity investment" means an equity investment in, or long-term

10. Page 9, Lines 272 through 273:

272 (i) is acquired on or after ~~{July 1,}~~ September 2, 2014, at its original issuance solely in  
exchange for  
273 cash;

11. Page 10, Lines 280 through 282:

280 (b) Notwithstanding Subsection ~~{(12)}~~ (10) (a), "qualified equity investment" includes a  
281 qualified equity investment that does not meet the provisions of Subsection ~~{(12)}~~ (10) (a) if the  
282 investment was a qualified equity investment in the hands of a prior holder.

12. Page 10, Line 283:

283 ~~{(13)}~~ (11) "Qualified low-income community investment" means a capital or equity

13. Page 10, Line 292:

292 ~~{(14)}~~ (12) "Tax credit certificate" is a certificate issued by the office under Subsection

14. Page 10, Lines 302 through 306:

302 (1) A qualified community development entity that seeks to have an equity investment  
303 or long-term debt security certified as a qualified equity investment and as eligible for tax  
304 credits under Section 59-9-107 shall apply to the office. The office shall begin accepting  
305 applications on ~~{July 1}~~ September 2, 2014. The qualified community development entity shall  
include the  
306 following in the qualified community development entity's application:

15. Page 11, Lines 311 through 315:

311 ~~{(c) a certificate executed by an executive officer of the applicant attesting that:~~  
312 ~~—— (i) the allocation agreement remains in effect and has not been revoked or cancelled by~~

313 the Community Development Financial Institutions Fund; and  
314 —— (ii) the applicant is not subject to, or controlled by an entity subject to the requirements  
315 of 12 U.S.C. Sec. 2901 et seq.; } (c) a certificate executed by an executive officer of the applicant  
attesting that the allocation agreement remains in effect and has not been revoked or cancelled by the  
Community Development Financial Institutions Fund.

16. Page 11, Lines 328 through 329:

328 (g) a nonrefundable application fee of \$5,000 paid to the office for each application  
329 submitted , which is deposited into the General Fund and \$2,500 of which is a dedicated credit for the  
office to cover the administrative costs related to this part ; and

17. Page 12, Lines 346 through 356:

346 (3)(a) { ~~Subject to Subsection (3)(b), if~~ If the application is complete, the office shall  
347 certify the proposed equity investment or long-term debt security as a qualified equity  
348 investment, subject to the limitations contained in Subsection (6).  
349 { ~~(b) The office may not certify qualified equity investments for an applicant, on a~~  
350 combined basis with all of its affiliates, in excess of \$50,000,000 unless the applicant has:  
351 —— (i) already had qualified equity investments certified under this section;  
352 —— (ii) satisfied the requirements of Subsection (8) with respect to the qualified equity  
353 investments that have been certified; and  
354 —— (iii) filed a new application after satisfying the requirements of Subsections (3)(b)(i)  
355 and (ii). }  
356 { ~~(c)~~ (b) The office shall provide written notice of the certification to the qualified

18. Page 13, Lines 376 through 379:

376 (6)(a) The office shall certify { ~~\$100,000,000~~ \$50,000,000 in qualified equity investments  
pursuant to  
377 this section. If a pending request cannot be fully certified due to this limit, the office shall  
378 certify the portion that may be certified unless the qualified community development entity  
379 elects to withdraw its request rather than receive partial certification.

19. Page 15, Lines 439 through 440:

439 (b) For each calendar year beginning with calendar year 2016 an entity is eligible for a tax credit  
under this section and  
440 Section 59-9-107, the office shall issue to the entity a tax credit certificate for use after January 1, 2017 and  
provide the State Tax Commission a copy of the tax credit certificate .

20. Page 15, Lines 445 through 453:

445 { ~~(d) The tax credit amount is equal to an amount calculated by the office as follows, the~~  
446 ~~office shall:~~  
447 ~~(i) multiply the applicable percentage for the credit allowance date by the purchase~~  
448 ~~price paid to the qualified community development entity for the qualified equity investment;~~  
449 ~~and~~  
450 ~~(ii) if the entity that makes a qualified equity investment is a pass-through entity,~~  
451 ~~allocate the amount calculated under Subsection (11)(d)(i) to the pass-through entity taxpayers~~  
452 ~~in accordance with the agreement among the pass-through entity taxpayers as provided in~~  
453 ~~Subsection (11)(e).} The office shall calculate the tax credit amount and the tax credit amount shall be  
equal to the applicable percentage for the credit allowance date multiplied by the purchase price paid to  
the qualified community development entity for the qualified equity investment.~~

21. Page 15, Lines 454 through 456:

454 { ~~(e) A tax credit claimed by a pass-through entity shall be allocated to a pass-through~~  
455 ~~entity taxpayer in accordance with the agreement among the pass-through entity taxpayers. An~~  
456 ~~allocation under this Subsection (11)(e) is not considered a violation of Subsection (11)(f).} (e) A tax  
credit earned by a partnership, limited liability company, or S-corporation may be allocated to the  
partners, members, or shareholders of the partnership, limited liability company, or S-corporation for the  
partners', members', or shareholders' direct use in accordance with the provisions of any agreement  
among the partners, members, or shareholders.~~

22. Page 15, Line 457:

457 (f) An entity may not sell a tax credit allowed under this section on the open market.  
(12)(a) An entity that claims a tax credit under Section 59-9-107 and this section shall provide the  
office with a document that expressly directs and authorizes the State Tax Commission to disclose the  
entity's tax returns and other information concerning the entity that are required by the office and that  
would otherwise be subject to confidentiality under Section 59-1-403 or Section 6103, Internal Revenue  
Code, to the office.  
(b) The office shall submit the document described in Subsection (12)(a) to the State Tax  
Commission.  
(c) Upon receipt of the document described in Subsection (12)(a), the State Tax Commission shall  
provide the office with the information requested by the office that the entity authorized the State Tax  
Commission to provide to the office in the document described in Subsection (12)(a).

23. Page 16, Line 492:

492 (d) If a qualified community development entity ~~{engages in}~~ makes a distribution or debt

24. Page 18, Lines 550 through 553:

550            { ~~(3) The office may not require a deposit from an applicant that:~~  
551    ~~—— (a) has had proposed qualified equity investments certified under Section 63M-1-3403;~~  
552    ~~and~~  
553    ~~—— (b) has not forfeited a deposit made under this section. }~~

25. Page 22, Lines 651 through 654:

651            ~~63M-1-3411.~~ Scope of part.  
652            This part applies only to a return or report originally due on or after {~~July 1~~} September 2 .  
          2014.  
653            Section 16. Effective date.  
654            This bill takes effect on {~~July 1~~} September 2 , 2014.