

- 28 (1) As used in this section, "qualifying taxpayer" means a person that:
29 (a) is a resident pass-through entity taxpayer as that term is defined in Section
30 59-10-1402;
31 (b) earns taxable income through economic activities classified in one of the following
32 NAICS codes of the 2002 or 2007 North American Industry Classification System of the
33 federal Executive Office of the President, Office of Management and Budget:
34 (i) NAICS Code Section 33242, Metal Tank (Heavy Gauge) Manufacturing; or
35 (ii) NAICS Code Section 23712, Oil and Gas Pipeline and Related Structures
36 Construction; and
37 (c) pays income taxes to a foreign country.
38 (2) Except as provided in Subsection (4), a qualifying taxpayer may claim a
39 nonrefundable tax credit against the tax otherwise due under this chapter, equal to the amount
40 of the tax that is imposed:
41 (a) by a foreign country;
42 (b) on the qualifying taxpayer for the taxable year; and
43 (c) on income of the qualifying taxpayer:
44 (i) derived from sources within that foreign country; and
45 (ii) if that income is also subject to tax under this chapter.
46 (3) A qualifying taxpayer shall compute and claim the tax credit provided by this
47 section in accordance with rules made by the commission in accordance with Title 63G,
48 Chapter 3, Utah Administrative Rulemaking Act.
49 (4) (a) Subject to Subsection (4)(b), the qualifying taxpayer may carry forward, for a
50 period that does not exceed the next five taxable years, the amount of the tax credit that
51 exceeds the qualifying taxpayer's tax liability under this chapter for a taxable year.
52 (b) The application of the tax credit provided under this section may not operate to
53 reduce the tax payable under this chapter to an amount less than would have been payable were
54 the income from the foreign country disregarded.
55 (5) A qualifying taxpayer may not assign the tax credit provided for by this section to
56 another person.
57 **Section 2. Effective date.**
58 This bill takes effect on January 1, 2017.

Legislative Review Note
Office of Legislative Research and General Counsel