

Representative Paul Ray proposes the following substitute bill:

TAX CREDIT FOR MILITARY SURVIVOR BENEFITS

2016 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Paul Ray

Senate Sponsor: Peter C. Knudson

LONG TITLE

General Description:

This bill creates an individual income tax credit for certain military survivor benefits.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ creates a nonrefundable individual income tax credit for certain military survivor benefits.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

59-10-1036, Utah Code Annotated 1953

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

Section 1. Section **59-10-1036** is enacted to read:

59-10-1036. Nonrefundable tax credit for military survivor benefits.



26 (1) As used in this section:

27 (a) "Dependent child" means the same as that term is defined in 10 U.S.C. Sec. 1447.

28 (b) "Reserve components" means the same as that term is described in 10 U.S.C. Sec.
29 10101.

30 (c) "Surviving spouse" means the same as that term is defined in 10 U.S.C. Sec. 1447.

31 (d) "Survivor benefits" means the amount paid by the federal government in
32 accordance with 10 U.S.C. Secs. 1447 through 1455.

33 (2) A surviving spouse or dependent child may claim a nonrefundable tax credit for
34 survivor benefits if the benefits are paid due to:

35 (a) the death of a member of the armed forces or reserve components while on active
36 duty; or

37 (b) the death of a member of the reserve components that results from a
38 service-connected cause while performing inactive duty training.

39 (3) The tax credit described in Subsection (2) is equal to the product of:

40 (a) the amount of survivor benefits that the surviving spouse or dependent child
41 received during the taxable year; and

42 (b) 5%.

43 (4) The tax credit described in Subsection (2):

44 (a) may not be carried forward or carried back; and

45 (b) applies to a taxable year beginning on or after January 1, 2017.