

Senator **Todd Weiler** proposes the following substitute bill:

SMALL EMPLOYER RETIREMENT PROGRAM

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Todd Weiler

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts provisions relating to tax credits for small employers.

Highlighted Provisions:

This bill:

- ▶ defines terms; and
- ▶ establishes an income tax credit for certain small employers that offer employees

access to a qualified retirement plan.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

59-7-621, Utah Code Annotated 1953

59-10-1038, Utah Code Annotated 1953

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

Section 1. Section **59-7-621** is enacted to read:



26 59-7-621. Nonrefundable tax credit for small employer's participation in
27 **retirement.**

28 (1) As used in this section:

29 (a) "Participating employer" means a small employer that offers a qualified plan to the
30 employer's employees for voluntary enrollment.

31 (b) "Qualified plan" means a retirement plan that meets the requirements of the
32 Employee Retirement Income Security Act of 1974, 29 U.S.C. Sec. 1001 et seq.

33 (c) "Small employer" means an employer in the state that has at least three, but fewer
34 than 100 employees who actively work in the state.

35 (2) For a taxable year that begins on or after January 1, 2018, and before January 1,
36 2020, a participating employer may claim a \$500 nonrefundable tax credit for the taxable year
37 in which the participating employer first offers a qualified plan.

38 (3) A participating employer may not carry forward or carry back a tax credit described
39 in this section.

40 Section 2. Section **59-10-1038** is enacted to read:

41 **59-10-1038. Nonrefundable tax credit for small employer's participation in**
42 **retirement.**

43 (1) As used in this section:

44 (a) "Participating employer" means a small employer that offers a qualified plan to the
45 employer's employees for voluntary enrollment.

46 (b) "Qualified plan" means a retirement plan that meets the requirements of the
47 Employee Retirement Income Security Act of 1974, 29 U.S.C. Sec. 1001 et seq.

48 (c) "Small employer" means an employer in the state that has at least three, but fewer
49 than 100 employees who actively work in the state.

50 (i) is a self-employed individual;

51 (ii) is a sole proprietor; or

52 (iii) has fewer than 100 employees who actively work in the state.

53 (2) For a taxable year that begins on or after January 1, 2018, and before January 1,
54 2019, a participating employer may claim a \$500 nonrefundable tax credit for the taxable year
55 in which the participating employer first offers a qualified plan.

56 (3) A participating employer may not carry forward or carry back a tax credit described

57 in this section.