

TAX REFORM PROVISIONS

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

House Sponsor: _____

LONG TITLE

General Description:

This bill amends provisions related to federal tax reform.

Highlighted Provisions:

This bill:

- ▶ prohibits an individual from receiving the homeowner's or renter's credit if the individual is a dependent with respect to whom another individual claims certain tax credits;
- ▶ provides that a corporation may pay taxes on deferred foreign income in installments under certain circumstances;
- ▶ addresses when an individual is considered to have domicile in this state for purposes of income tax; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

⚡→ [None] This bill provides retrospective operation. ←⚡

Utah Code Sections Affected:

AMENDS:

59-2-1208, as last amended by Laws of Utah 2016, Chapter 375

59-2-1209, as last amended by Laws of Utah 2016, Chapter 375

S.B. 244



58 income tax return during any portion of a calendar year for which the individual seeks to claim
 59 the homeowner's credit under this section; or

60 (b) the individual is a dependent with respect to whom another individual claims a tax
 61 credit under ~~§~~→ [Subsection] Section ←~~§~~ 24(h)(4), Internal Revenue Code, during any portion of a
 61a calendar year
 62 for which the individual seeks to claim the homeowner's credit under this section.

63 (3) A payment for a homeowner's credit allowed by this section, and provided for in
 64 Section 59-2-1204, shall be paid from the General Fund.

65 Section 2. Section 59-2-1209 is amended to read:

66 **59-2-1209. Amount of renter's credit -- Cost-of-living adjustment -- Renter's**
 67 **credit may be claimed only for rent that does not constitute a rental assistance payment --**
 68 **Limitation -- General Fund as source of credit -- Maximum credit.**

69 (1) (a) Subject to Subsections (2) and (3), for a calendar year beginning on or after
 70 January 1, 2007, a claimant may claim a renter's credit for the previous calendar year that does
 71 not exceed the following amounts:

72	If household income is	Percentage of rent allowed as a credit
73	\$0 -- \$9,159	9.5%
74	\$9,160 -- \$12,214	8.5%
75	\$12,215 -- \$15,266	7.0%
76	\$15,267 -- \$18,319	5.5%
77	\$18,320 -- \$21,374	4.0%
78	\$21,375 -- \$24,246	3.0%
79	\$24,247 -- \$26,941	2.5%

80 (b) (i) For a calendar year beginning on or after January 1, 2008, the commission shall
 81 increase or decrease the household income eligibility amounts under Subsection (1)(a) by a
 82 percentage equal to the percentage difference between the consumer price index for the
 83 preceding calendar year and the consumer price index for calendar year 2006.

84 (ii) For purposes of Subsection (1)(b)(i), the commission shall calculate the consumer
 85 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

86 (2) A claimant may claim a renter's credit under this part only for rent that does not
 87 constitute a rental assistance payment.

88 ~~[(3) An individual who is claimed as a personal exemption on another individual's~~
 89 ~~individual income tax return during any portion of a calendar year for which the individual~~
 90 ~~seeks to claim a renter's credit under this section may not receive a renter's credit.]~~

91 (3) An individual may not receive the renter's credit under this section if the individual
 92 is:

93 (a) claimed as a personal exemption on another individual's federal income tax return
 94 during any portion of a calendar year for which the individual seeks to claim the renter's credit
 95 under this section; or

96 (b) a dependent with respect to whom another individual claims a tax credit under
 97 §→ [Subsection] Section ←§ 24(h)(4), Internal Revenue Code, during any portion of a calendar
 97a year for which
 98 the individual seeks to claim the renter's credit under this section.

99 (4) A payment for a renter's credit allowed by this section, and provided for in Section
 100 59-2-1204, shall be paid from the General Fund.

101 (5) For calendar years beginning on or after January 1, 2007, a credit under this section
 102 may not exceed the maximum amount allowed as a homeowner's credit for each income
 103 bracket under Subsection 59-2-1208(1)(a).

104 Section 3. Section 59-7-118 is enacted to read:

105 **59-7-118. Section 965, Internal Revenue Code -- Installment payments.**

106 (1) Subject to the other provisions of this section, a corporation may pay in
 107 installments the tax owed under this chapter on deferred foreign income described in Section
 108 965, Internal Revenue Code.

109 (2) Subsection (1) applies:

110 (a) to a corporation that:

111 (i) is authorized to make an election under §→ [Subsection] Section ←§ 965(h), Internal
 111a Revenue Code; §→ and ←§

112 (ii) apportions deferred foreign income described in Section 965, Internal Revenue
 113 Code, to this state; and

114 (b) for a tax year in which a corporation makes an election under §→ [Subsection] Section
 114a ←§ 965(h),

115 Internal Revenue Code, for purposes of the corporation's federal income tax §→ [z] . ←§

116 (3) The same provisions that apply to an election made under §→ [Subsection] Section ←§
 116a 965(h),

117 Internal Revenue Code, for federal purposes apply to an installment payment made under this
 118 section.

243 (5) (a) If an individual is considered to have domicile in this state in accordance with
 244 this section, the individual's spouse is considered to have domicile in this state.

245 (b) For purposes of this section, an individual is not considered to have a spouse if:

246 (i) the individual is legally separated or divorced from the spouse; or

247 (ii) the individual and the individual's spouse claim married filing separately filing
 248 status for purposes of filing a federal individual income tax return for the taxable year.

249 (c) Except as provided in Subsection (5)(b)(ii), for purposes of this section, an
 250 individual's filing status on a federal individual income tax return or a return filed under this
 251 chapter may not be considered in determining whether an individual has a spouse.

252 (6) For purposes of this section, whether or not an individual or the individual's spouse
 253 claims a property tax residential exemption under Chapter 2, Property Tax Act, for the
 254 residential property that is the primary residence of a tenant of the individual or the individual's
 255 spouse may not be considered in determining domicile in this state.

255a **§→ Section 5. Retrospective operation. ←§**

255b **§→ (1) Except as provided in Subsection (2), this bill has retrospective operation beginning**
 255c **on January 1, 2018. ←§**

255d **§→ (2) The amendments to Sections 59-7-118 and 59-10-136 have retrospective operation**
 255e **for a taxable year beginning on or after January 1, 2018. ←§**

Legislative Review Note
Office of Legislative Research and General Counsel