

CORPORATE INCOME TAX CREDIT AMENDMENTS

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stewart E. Barlow

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill provides for the repeal of the corporate Achieving a Better Life Experience Program income tax credit.

Highlighted Provisions:

This bill:

- ▶ provides that a corporate contributor to an Achieving a Better Life Experience Program account may claim the income tax credit for the 2020 taxable year only;
- and
- ▶ schedules the repeal of the corporate Achieving a Better Life Experience Program income tax credit.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

59-7-620, as last amended by Laws of Utah 2017, Chapter 222

63I-2-259, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6

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

Section 1. Section **59-7-620** is amended to read:

59-7-620. Nonrefundable tax credit for contribution to state Achieving a Better

30 **Life Experience Program account.**

31 (1) As used in this section:

32 (a) "Account" means an account in a qualified ABLE program where the designated
33 beneficiary of the account is a resident of this state.

34 (b) "Contributor" means a corporation that:

35 (i) makes a contribution to an account; and

36 (ii) receives a statement from the qualified ABLE program itemizing the contribution.

37 (c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec.
38 529A.

39 (d) "Qualified ABLE program" means the same as that term is defined in Section
40 [35A-12-102](#).

41 (2) [A] For a taxable year beginning on or after January 1, 2020, but beginning on or
42 before December 31, 2020, a contributor to an account may claim a nonrefundable tax credit as
43 provided in this section.

44 (3) Subject to the other provisions of this section, the tax credit is equal to the product
45 of:

46 (a) 5%; and

47 (b) the total amount of contributions:

48 (i) the contributor makes for the taxable year; and

49 (ii) for which the contributor receives a statement from the qualified ABLE program
50 itemizing the contributions.

51 (4) A contributor may not claim a tax credit under this section:

52 (a) for an amount of excess contribution to an account that is returned to the
53 contributor; or

54 (b) with respect to an amount the contributor deducts on a federal income tax return.

55 (5) A tax credit under this section may not be carried forward or carried back.

56 Section 2. Section **63I-2-259** is amended to read:

57 **63I-2-259. Repeal dates -- Title 59.**

58 [~~(1) Section 59-1-102 is repealed on May 14, 2019.~~]

59 [~~(2)~~] (1) In Section 59-2-926, the language that states "applicable" and "or
60 53F-2-301.5" is repealed July 1, 2023.

61 [~~(3) Subsection 59-2-1007(15) is repealed on December 31, 2018.~~]

62 (2) Section 59-7-620 is repealed December 31, 2021.

63 Section 3. **Retrospective operation.**

64 (1) Except as provided in Subsection (2), this bill has retrospective operation for a
65 taxable year beginning on or after January 1, 2020.

66 (2) The amendments to Section 63I-2-259 take effect on May 12, 2020.