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**TAX CREDIT FOR TELECOMMUTING**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jacob L. Anderegg**

House Sponsor: \_\_\_\_\_

**LONG TITLE**

**General Description:**

This bill enacts provisions related to nonrefundable income tax credits.

**Highlighted Provisions:**

This bill:

- ▶ creates a nonrefundable income tax credit for employers that employ telecommuters; and
- ▶ defines terms.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

ENACTS:

**59-7-625**, Utah Code Annotated 1953

**59-10-1041**, Utah Code Annotated 1953

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

Section 1. Section **59-7-625** is enacted to read:

**59-7-625. Nonrefundable tax credit for employing a telecommuter.**

(1) As used in this section, "telecommuter" means an individual who:



28 (a) is employed by an employer in the state;  
29 (b) worked for the employer at least 35 hours per week for no less than 45 of the 52  
30 weeks in the preceding taxable year; and

31 (c) worked from the individual's home an average of three or more days per week  
32 during the time period described in Subsection (1)(b).

33 (2) A corporation may claim a nonrefundable tax credit as provided in this section  
34 against a tax under this chapter if the corporation employs a telecommuter.

35 (3) A tax credit under this section is equal to \$50 for each telecommuter employed by  
36 the corporation.

37 (4) For each telecommuter for whom a tax credit is claimed under this section, a  
38 corporation shall retain the telecommuter's:

39 (a) name;

40 (b) taxpayer identification number;

41 (c) last known address;

42 (d) start date for the employment; and

43 (e) documentation establishing that the telecommuter met the requirements of  
44 Subsection (1).

45 (5) A corporation shall provide the information described in Subsection (4) to the  
46 commission at the request of the commission.

47 (6) A corporation may carry forward a tax credit under this section for a period that  
48 does not exceed the next five taxable years if:

49 (a) the corporation is allowed to claim a tax credit under this section for a taxable year;  
50 and

51 (b) the amount of the tax credit exceeds the corporation's tax liability under this chapter  
52 for that taxable year.

53 Section 2. Section **59-10-1041** is enacted to read:

54 **59-10-1041. Nonrefundable tax credit for employing a telecommuter.**

55 (1) As used in this section, "telecommuter" means an individual who:

56 (a) is employed by an employer in the state;

57 (b) worked for the employer at least 35 hours per week for no less than 45 of the 52  
58 weeks in the preceding taxable year; and

59 (c) worked from the individual's home an average of three or more days per week  
60 during the time period described in Subsection (1)(b).

61 (2) A claimant, estate, or trust may claim a nonrefundable tax credit as provided in this  
62 section against a tax under this chapter if the claimant, estate, or trust employs a telecommuter.

63 (3) A tax credit under this section is equal to \$50 for each telecommuter employed by  
64 the claimant, estate, or trust.

65 (4) For each telecommuter for whom a tax credit is claimed under this section, a  
66 claimant, estate, or trust shall retain the telecommuter's:

67 (a) name;

68 (b) taxpayer identification number;

69 (c) last known address;

70 (d) start date for the employment; and

71 (e) documentation establishing that the telecommuter met the requirements of  
72 Subsection (1).

73 (5) A claimant, estate, or trust shall provide the information described in Subsection  
74 (4) to the commission at the request of the commission.

75 (6) A claimant, estate, or trust may carry forward a tax credit under this section for a  
76 period that does not exceed the next five taxable years if:

77 (a) the claimant, estate, or trust is allowed to claim a tax credit under this section for a  
78 taxable year; and

79 (b) the amount of the tax credit exceeds the claimant, estate, or trust's tax liability  
80 under this chapter for that taxable year.