

## SB0226S01 compared with SB0226

~~{deleted text}~~ shows text that was in SB0226 but was deleted in SB0226S01.

inserted text shows text that was not in SB0226 but was inserted into SB0226S01.

**DISCLAIMER:** This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Senator Jacob L. Anderegg proposes the following substitute bill:

### TAX CREDIT FOR TELECOMMUTING

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jacob L. Anderegg**

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

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#### 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}~~ This bill provides retrospective operation.

##### Utah Code Sections Affected:



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ENACTS:

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

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

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*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"}:~~

(a) "Business entity" means the same as that term is defined in Section 13-1-2.

(b) "Eligible employer" means a business entity:

(i) whose principal business location is not the residence of an employee or owner of the business entity; and

(ii) that employs a telecommuter.

(c) "Principal business location" means the principal place in the state from which the trade or business of a business entity is directed or managed.

(d) "Telecommuter" means an individual who:

~~(a)~~(i) is employed by an eligible employer~~{ in the state}~~;

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

~~(c)~~(iii) worked from the individual's ~~{home}~~residence in the state an average of three or more days per week during the time period described in Subsection (1)~~(b)~~(d)(ii).

(2) A corporation that is an eligible employer may claim a nonrefundable tax credit as provided in this section against a tax under this chapter~~{ if the corporation employs a telecommuter}~~.

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

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

(a) name;

(b) taxpayer identification number;

(c) last known address;



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(d) start date for the employment; and

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

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

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

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

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

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

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

(1) As used in this section ~~{, "telecommuter"}:~~

(a) "Business entity" means the same as that term is defined in Section 13-1-2.

(b) "Eligible employer" means a business entity:

(i) whose principal business location is not the residence of an employee or owner of the business entity; and

(ii) that employs a telecommuter.

(c) "Principal business location" means the principal place in the state from which the trade or business of a business entity is directed or managed.

(d) "Telecommuter" means an individual who:

~~{a}~~i) is employed by an eligible employer ~~{ in the state }~~;

~~{b}~~ii) worked in the state for the employer at least 35 hours per week for no less than 45 of the 52 weeks in the preceding taxable year; and

~~{c}~~iii) worked from the individual's ~~{home}~~ residence in the state an average of three or more days per week during the time period described in Subsection (1) ~~{b}~~d(ii).

(2) A claimant, estate, or trust that is an eligible employer may claim a nonrefundable tax credit as provided in this section against a tax under this chapter ~~{ if the claimant, estate, or trust employs a telecommuter }~~.

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



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the claimant, estate, or trust.

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

- (a) name;
- (b) taxpayer identification number;
- (c) last known address;
- (d) start date for the employment; and
- (e) documentation establishing that the telecommuter met the requirements of

Subsection (1).

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

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

- (a) the claimant, estate, or trust is allowed to claim a tax credit under this section for a taxable year; and
- (b) the amount of the tax credit exceeds the claimant, estate, or trust's tax liability under this chapter for that taxable year.

### **Section 3. Retrospective operation.**

**This bill has retrospective operation for a taxable year beginning on or after January 1, 2020.**