

119 status, \$16,000;

120 (b) for a federal individual income tax return that is allowed a single filing status,  
121 \$25,000;

122 (c) for a federal individual income tax return that is allowed a head of household filing  
123 status, \$32,000; or

124 (d) for a return under this chapter that is allowed a joint filing status, \$32,000.

125 ~~[(5) For purposes of determining the ownership of items of retirement income under  
126 this section, common law doctrine shall be applied in all cases even though some items of  
127 retirement income may have originated from service or investments in a community property  
128 state.]~~

129 Section 3. Section **59-10-1042** is enacted to read:

130 **59-10-1042. Nonrefundable income tax credit for military retirement pay.**

131 (1) As used in this section:

132 (a) (i) "Military retirement pay" means retirement pay, including survivor benefits, that  
133 relates to service in the armed forces, including service in the Reserves or the National Guard.

134 (ii) "Military retirement pay" does not include:

135 (A) social security income; ~~H→~~ [or] ~~←H~~

136 (B) 401(k) or IRA distributions ~~H→~~ [;] ; or

136a (C) income from other sources. ~~←H~~

137 (b) "Survivor benefits" means the retired pay portion of the benefits described in 10  
138 U.S.C. Secs. 1447 through 1455.

139 (2) Except as provided in Section 59-10-1002.2, a claimant who receives military  
140 retirement pay may claim a nonrefundable tax credit against taxes equal to the product of:

141 (a) the percentage listed in Subsection 59-10-104(2); and

142 (b) the amount of military retirement pay that is included in adjusted gross income on  
143 the claimant's federal income tax return for the taxable year.

144 (3) (a) A claimant may not:

145 (i) carry forward or carry back the amount of the tax credit that exceeds the claimant's  
146 tax liability for the taxable year; or

147 (ii) claim a tax credit under this section and Section 59-10-1019 for the same taxable  
148 year.

149 (b) A claimant that qualifies for a tax credit under this section and a tax credit under