

1                                   **UTAH PERSONAL EXEMPTION AMENDMENTS**

2   2021 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Lincoln Fillmore**

5                                   House Sponsor: Jefferson Moss

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7   **LONG TITLE**

8   **General Description:**

9           This bill modifies provisions relating to the taxpayer tax credit.

10 **Highlighted Provisions:**

11       This bill:

12           ▶ increases the value of the Utah personal exemption for purposes of the taxpayer tax  
13 credit; and

14           ▶ makes technical and conforming changes.

15 **Money Appropriated in this Bill:**

16       None

17 **Other Special Clauses:**

18       This bill provides retrospective operation.

19 **Utah Code Sections Affected:**

20 AMENDS:

21           **59-10-1018**, as last amended by Laws of Utah 2018, Second Special Session, Chapter 3

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

24       Section 1. Section **59-10-1018** is amended to read:

25       **59-10-1018. Definitions -- Nonrefundable taxpayer tax credits.**

26       (1) As used in this section:

27       (a) "Head of household filing status" means a head of household, as defined in Section  
28 2(b), Internal Revenue Code, who files a single federal individual income tax return for the



29 taxable year.

30 (b) "Joint filing status" means:

31 (i) spouses who file a single return jointly under this chapter for a taxable year; or

32 (ii) a surviving spouse, as defined in Section 2(a), Internal Revenue Code, who files a  
33 single federal individual income tax return for the taxable year.

34 (c) "Qualifying dependent" means an individual with respect to whom the claimant is  
35 allowed to claim a tax credit under Section 24, Internal Revenue Code, on the claimant's federal  
36 individual income tax return for the taxable year.

37 (d) "Single filing status" means:

38 (i) a single individual who files a single federal individual income tax return for the  
39 taxable year; or

40 (ii) a married individual who:

41 (A) does not file a single federal individual income tax return jointly with that married  
42 individual's spouse for the taxable year; and

43 (B) files a single federal individual income tax return for the taxable year.

44 (e) "State or local income tax" means the lesser of:

45 (i) the amount of state or local income tax that the claimant:

46 (A) pays for the taxable year; and

47 (B) reports on the claimant's federal individual income tax return for the taxable year,  
48 regardless of whether the claimant is allowed an itemized deduction on the claimant's federal  
49 individual income tax return for the taxable year for the full amount of state or local income tax  
50 paid; and

51 (ii) \$10,000.

52 (f) (i) "Utah itemized deduction" means the amount the claimant deducts as allowed as  
53 an itemized deduction on the claimant's federal individual income tax return for that taxable year  
54 minus any amount of state or local income tax for the taxable year.

55 (ii) "Utah itemized deduction" does not include any amount of qualified business income  
56 that the claimant subtracts as allowed by Section 199A, Internal Revenue Code, on the claimant's  
57 federal income tax return for that taxable year.

58 (g) "Utah personal exemption" means, subject to Subsection (6), [~~\$565~~] \$1,750  
59 multiplied by the number of the claimant's qualifying dependents.

60 (2) Except as provided in Section 59-10-1002.2, and subject to Subsections (3) through

61 (5), a claimant may claim a nonrefundable tax credit against taxes otherwise due under this part  
62 equal to the sum of:

63 (a) (i) for a claimant that deducts the standard deduction on the claimant's federal  
64 individual income tax return for the taxable year, 6% of the amount the claimant deducts as  
65 allowed as the standard deduction on the claimant's federal individual income tax return for that  
66 taxable year; or

67 (ii) for a claimant that itemizes deductions on the claimant's federal individual income  
68 tax return for the taxable year, 6% of the amount of the claimant's Utah itemized deduction; and

69 (b) 6% of the claimant's Utah personal exemption.

70 (3) A claimant may not carry forward or carry back a tax credit under this section.

71 (4) The tax credit allowed by Subsection (2) shall be reduced by \$.013 for each dollar  
72 by which a claimant's state taxable income exceeds:

73 (a) for a claimant who has a single filing status, [~~\$12,000~~] ~~Ŝ~~→ [~~\$14,879~~] \$15,095 ←~~Ŝ~~ ;

74 (b) for a claimant who has a head of household filing status, [~~\$18,000~~] ~~Ŝ~~→ [~~\$22,318~~]  
74a \$22,643 ←~~Ŝ~~ ; or

75 (c) for a claimant who has a joint filing status, [~~\$24,000~~] ~~Ŝ~~→ [~~\$29,758~~] \$30,190 ←~~Ŝ~~ .

76 (5) (a) For a taxable year beginning on or after January 1, [~~2009~~] 2022, the commission  
77 shall increase or decrease annually the following dollar amounts by a percentage equal to the  
78 percentage difference between the consumer price index for the preceding calendar year and the  
79 consumer price index for calendar year [~~2007~~] 2020:

80 (i) the dollar amount listed in Subsection (4)(a); and

81 (ii) the dollar amount listed in Subsection (4)(b).

82 (b) After the commission increases or decreases the dollar amounts listed in Subsection  
83 (5)(a), the commission shall round those dollar amounts listed in Subsection (5)(a) to the nearest  
84 whole dollar.

85 (c) After the commission rounds the dollar amounts as required by Subsection (5)(b), the  
86 commission shall increase or decrease the dollar amount listed in Subsection (4)(c) so that the  
87 dollar amount listed in Subsection (4)(c) is equal to the product of:

88 (i) the dollar amount listed in Subsection (4)(a); and

89 (ii) two.

90 (d) For purposes of Subsection (5)(a), the commission shall calculate the consumer  
91 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

92 (6) (a) For a taxable year beginning on or after January 1, [~~2019~~] 2022, the commission

93 shall increase annually the Utah personal exemption amount listed in Subsection (1)(g) by a  
94 percentage equal to the percentage by which the consumer price index for the preceding calendar  
95 year exceeds the consumer price index for calendar year [~~2017~~] 2020.

96 (b) After the commission increases the Utah personal exemption amount as described in  
97 Subsection (6)(a), the commission shall round the Utah personal exemption amount to the nearest  
98 whole dollar.

99 (c) For purposes of Subsection (6)(a), the commission shall calculate the consumer  
100 price index as provided in Sections 1(f)(4) and 1(f)(5), Internal Revenue Code.

101 **Section 2. Retrospective operation.**

102 This bill has retrospective operation for a taxable year beginning on or after January 1,  
103 2021.