

- 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
- 36 federal 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
- 54 year 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
- 56 income that the claimant subtracts as allowed by Section 199A, Internal Revenue Code, on the
- 57 claimant's 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
66 that 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;
69 and

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

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

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

74 (a) for a claimant who has a single filing status, [~~\$12,000~~] \$15,095;

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

76 (c) for a claimant who has a joint filing status, [~~\$24,000~~] \$30,190.

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

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

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

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

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

- 89 (i) the dollar amount listed in Subsection (4)(a); and
- 90 (ii) two.

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

93 (6) (a) For a taxable year beginning on or after January 1, [~~2019~~] 2022, the commission
94 shall increase annually the Utah personal exemption amount listed in Subsection (1)(g) by a
95 percentage equal to the percentage by which the consumer price index for the preceding
96 calendar year exceeds the consumer price index for calendar year [~~2017~~] 2020.

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

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

102 **Section 2. Retrospective operation.**

103 This bill has retrospective operation for a taxable year beginning on or after January 1,
104 2021.