

1 **HOSPITALITY EMPLOYEE TAX CREDIT**

2 2022 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Wayne A. Harper**

5 House Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill enacts a refundable income tax credit for certain hospitality employees.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ defines terms;
- 13 ▶ enacts a one-time refundable income tax credit for certain hospitality employees

14 who:

15 • work a minimum number of hours for an eligible business during calendar year
16 2022; and

- 17 • obtain an employer certification;
- 18 ▶ addresses enforcement of the provisions of this bill; and
- 19 ▶ makes technical changes.

20 **Money Appropriated in this Bill:**

21 None

22 **Other Special Clauses:**

23 This bill provides retrospective operation.

24 **Utah Code Sections Affected:**

25 AMENDS:

26 **63I-2-259**, as last amended by Laws of Utah 2021, Chapter 370

27 ENACTS:



28 **59-10-1114**, Utah Code Annotated 1953



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

31 Section 1. Section **59-10-1114** is enacted to read:

32 **59-10-1114. Refundable hospitality employee tax credit.**

33 (1) As used in this section:

34 (a) "Eligible hospitality business" means an entity that is classified under the following

35 NAICS codes of the 2022 North American Industry Classification System of the federal

36 Executive Office of the President, Office of Management and Budget:

37 (i) NAICS Code 72241, Drinking Places (Alcoholic Beverages); or

38 (ii) NAICS Code 72251, Restaurants and Other Eating Places.

39 (b) "Eligible hospitality employee" means an individual who during calendar year 2022

40 works at least 1,560 hours as a food service employee for one eligible hospitality business in

41 the state.

42 (c) "Employer certification" means a certificate that:

43 (i) an eligible hospitality business issues to an eligible hospitality employee;

44 (ii) certifies that:

45 (A) the eligible hospitality business satisfies the requirements of Subsection (1)(a); and

46 (B) the eligible hospitality employee satisfies the requirements of Subsection (1)(b);

47 (iii) includes any additional information the commission requires; and

48 (iv) is in a form prescribed by the commission.

49 (d) "Food service employee" means an employee of an eligible hospitality business

50 whose primary responsibilities are:

51 (i) preparing food or drink;

52 (ii) serving food or drink; or

53 (iii) bussing or seating tables.

54 (2) Upon request from an eligible hospitality employee, an eligible hospitality business

55 shall issue an employer certification to the eligible hospitality employee if the eligible

56 hospitality business determines the eligible hospitality employee meets the requirements of this

57 section.

58 (3) A claimant who receives an employer certification:

59 (a) may, for a taxable year beginning on or after January 1, 2022, and before January 1,
60 2023, claim a refundable tax credit equal to \$1,250; and

61 (b) shall retain the employer certification for the same time period that a person is
62 required to keep books and records under Section 59-1-406.

63 (4) A claimant may not carry forward or carry back any tax credit that exceeds the
64 claimant's income tax liability for the taxable year.

65 (5) (a) In accordance with procedures established by the commission, an eligible
66 hospitality business that issues an employer certification shall submit to the commission a list
67 that includes the name and identifying information for each eligible hospitality employee to
68 whom the eligible hospitality business issues an employer certification under this section.

69 (b) The commission may not issue a refund to an eligible hospitality employee who
70 claims a tax credit under this section before the commission receives the list described in
71 Subsection (5)(a) from the eligible hospitality business that issued the eligible hospitality
72 employee's employer certification.

73 (6) In accordance with Section 59-10-541, an eligible hospitality business is subject to
74 the penalties described in Section 59-1-401 if, with intent to evade a requirement of this
75 section, the eligible hospitality business:

76 (a) fails to:

77 (i) provide an employer certification in accordance with Subsection (2); or

78 (ii) comply with the provisions of Subsection (5)(a), if the eligible hospitality business
79 issues one or more employer certifications; or

80 (b) provides false or fraudulent information in an employer certification or the list
81 described in Subsection (5)(a).

82 Section 2. Section **63I-2-259** is amended to read:

83 **63I-2-259. Repeal dates -- Title 59.**

84 (1) In Section 59-2-926, the language that states "applicable" and "or 53F-2-301.5" is
85 repealed July 1, 2023.

86 [~~(2) Subsection 59-7-106(1)(w) is repealed December 31, 2021.~~]

87 [~~(3) Section 59-7-620 is repealed December 31, 2021.~~]

88 [~~(4) Subsection 59-10-114(2)(j) is repealed December 31, 2021.~~]

89 (2) Section 59-10-1114 is repealed January 1, 2024.

90 Section 3. **Retrospective operation.**

91 This bill has retrospective operation to a taxable year beginning on or after January 1,

92 2022.