

CHILD CARE TAX CREDIT AMENDMENTS

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Susan Pulsipher

Senate Sponsor: _____

LONG TITLE

General Description:

This bill enacts a child care tax credit.

Highlighted Provisions:

This bill:

- ▶ enacts a nonrefundable child care tax credit; and
- ▶ provides for apportionment of the child care tax credit.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-10-1002.2, as last amended by Laws of Utah 2022, Chapter 12

ENACTS:

59-10-1046, Utah Code Annotated 1953

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

Section 1. Section **59-10-1002.2** is amended to read:

59-10-1002.2. Apportionment of tax credits.

(1) A nonresident individual or a part-year resident individual that claims a tax credit



28 in accordance with Section [59-10-1017](#), [59-10-1018](#), [59-10-1019](#), [59-10-1022](#), [59-10-1023](#),
29 [59-10-1024](#), [59-10-1028](#), [59-10-1042](#), [59-10-1043](#), [or] [59-10-1044](#), or [59-10-1046](#) may only
30 claim an apportioned amount of the tax credit equal to:

31 (a) for a nonresident individual, the product of:

32 (i) the state income tax percentage for the nonresident individual; and

33 (ii) the amount of the tax credit that the nonresident individual would have been
34 allowed to claim but for the apportionment requirements of this section; or

35 (b) for a part-year resident individual, the product of:

36 (i) the state income tax percentage for the part-year resident individual; and

37 (ii) the amount of the tax credit that the part-year resident individual would have been
38 allowed to claim but for the apportionment requirements of this section.

39 (2) A nonresident estate or trust that claims a tax credit in accordance with Section
40 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#), [59-10-1024](#), or [59-10-1028](#) may only claim an
41 apportioned amount of the tax credit equal to the product of:

42 (a) the state income tax percentage for the nonresident estate or trust; and

43 (b) the amount of the tax credit that the nonresident estate or trust would have been
44 allowed to claim but for the apportionment requirements of this section.

45 Section 2. Section **59-10-1046** is enacted to read:

46 **59-10-1046. Child care nonrefundable tax credit.**

47 (1) As used in this section:

48 (a) "Joint filing status" means the same as that term is defined in Section [59-10-1018](#).

49 (b) "Head of household filing status" means the same as that term is defined in Section
50 [59-10-1018](#).

51 (c) "Qualifying child" means an individual:

52 (i) with respect to whom the qualifying claimant is allowed to claim a tax credit under
53 Section 24, Internal Revenue Code, on the qualifying claimant's federal individual income tax
54 return for the taxable year; and

55 (ii) who is younger than 6 years old on the last day of the qualifying claimant's taxable
56 year.

57 (d) "Qualifying claimant" means a resident or nonresident individual who:

58 (i) has an adjusted gross income that is:

59 (A) at least \$37,500 and no more than \$47,000, if the individual has a single filing
60 status;

61 (B) at least \$60,000 and no more than \$75,000, if the individual has a head of
62 household filing status; or

63 (C) at least \$75,000 and no more than \$94,000, if the individual has a joint filing
64 status; and

65 (ii) does not receive child care assistance under Title 35A, Chapter 3, Employment
66 Support Act, during the taxable year.

67 (e) "Single filing status" means the same as that term is defined in Section [59-10-1018](#).

68 (2) Subject to Subsection [59-2-1002.2](#), a qualifying claimant may claim a
69 nonrefundable tax credit of \$1,000 for each qualifying child.

70 (3) A qualifying claimant may not carry forward or carry back the amount of the tax
71 credit that exceeds the qualifying claimant's tax liability.

72 (4) Notwithstanding any other provision of law, the Department of Workforce Services
73 shall provide to the commission, at the commission's request, records regarding whether a
74 qualifying claimant received child care assistance under Title 35A, Chapter 3, Employment
75 Support Act, during the taxable year for which the qualifying claimant claimed a tax credit.

76 Section 3. **Effective date.**

77 This bill takes effect for a taxable year beginning on or after January 1, 2024.