

HB0170S01 compared with HB0170

~~{deleted text}~~ shows text that was in HB0170 but was deleted in HB0170S01.

inserted text shows text that was not in HB0170 but was inserted into HB0170S01.

DISCLAIMER: This document is provided to assist you in your comparison of the two bills. Sometimes this automated comparison will NOT be completely accurate. Therefore, you need to read the actual bills. This automatically generated document could contain inaccuracies caused by: limitations of the compare program; bad input data; or other causes.

Representative Susan Pulsipher proposes the following substitute bill:

CHILD~~{CARE}~~ TAX CREDIT ~~{AMENDMENTS}~~REVISIONS

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:

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

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

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

(ii) the amount of the tax credit that the nonresident individual would have been

allowed to claim but for the apportionment requirements of this section; or

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

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

(ii) the amount of the tax credit that the part-year resident individual would have been

allowed to claim but for the apportionment requirements of this section.

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

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

(b) the amount of the tax credit that the nonresident estate or trust would have been

allowed to claim but for the apportionment requirements of this section.

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

59-10-1046. ~~Child care nonrefundable~~ Nonrefundable child tax credit.

(1) As used in this section:

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

(b) "Head of household filing status" means the same as that term is defined in Section

59-10-1018.

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(c) "Married filing separately status" means a married individual who:

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

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

(d) "Modified adjusted gross income" means the sum of the following for a claimant or, if the claimant's federal individual income tax return is allowed a joint filing status, the claimant and the claimant's spouse:

(i) adjusted gross income for the taxable year for which a tax credit is claimed under this section;

(ii) any interest income that is not included in adjusted gross income for the taxable year described in Subsection (1)(d)(i); and

(iii) any addition to adjusted gross income required by Section 59-10-114 for the taxable year described in Subsection (1)(d)(i).

~~(f)(e)~~ "Qualifying child" means an individual:

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

(ii) who is younger than ~~{6}~~six years old on the last day of the ~~{qualifying}~~ claimant's taxable year.

~~{d}~~ "Qualifying claimant" means a resident or nonresident individual who:

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

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

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

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

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

~~(e)f~~ "Single filing status" means a single individual who files a single federal individual income tax return for the ~~{same as that term is defined in Section~~

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~~59-10-1018~~ taxable year.

(2) Subject to Subsection 59-2-1002.2, a ~~{qualifying }~~ claimant may claim a nonrefundable tax credit of \$1,000 for each qualifying child.

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

(4) ~~{Notwithstanding any other provision of law, the Department of Workforce Services shall provide to the commission, at the commission's request, records regarding whether a qualifying claimant received child care assistance under Title 35A, Chapter 3, Employment Support Act, during the taxable year for which the qualifying claimant claimed a}~~ The tax credit allowed by Subsection (2) claimed on a return filed under this part shall be reduced by \$.075 for each dollar by which modified adjusted gross income for purposes of the return exceeds:

(a) for a federal individual income tax return that is allowed a married filing separately status, \$28,000;

(b) for a federal individual income tax return that is allowed a single filing status or head of household filing status, \$45,000; and

(c) for a federal individual income tax return under this chapter that is allowed a joint filing status, \$56,000.

Section 3. **Effective date.**

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