

1 **CHILD TAX CREDIT AMENDMENTS**

2 2023 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Joel K. Briscoe**

5 Senate Sponsor: _____

7 **LONG TITLE**

8 **General Description:**

9 This bill creates a child tax credit.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ creates a refundable child tax credit; and
- 13 ▶ provides for apportionment of the child tax credit.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 This bill provides retrospective operation.

18 **Utah Code Sections Affected:**

19 ENACTS:

20 **59-10-1102.1**, Utah Code Annotated 1953

21 **59-10-1114**, Utah Code Annotated 1953

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

24 Section 1. Section **59-10-1102.1** is enacted to read:

25 **59-10-1102.1. Apportionment of tax credit.**

26 A nonresident individual or a part-year resident individual who claims a tax credit in
27 accordance with Section **59-10-1114** may claim only an apportioned amount of the tax credit



28 equal to the product of:

29 (1) the state income tax percentage for the nonresident individual or the state income
30 tax percentage for the part-year resident individual; and

31 (2) the amount of the tax credit that the nonresident individual or the part-year resident
32 individual would have been allowed to claim but for the apportionment requirement of this
33 section.

34 Section 2. Section **59-10-1114** is enacted to read:

35 **59-10-1114. Refundable child tax credit.**

36 (1) As used in this section:

37 (a) "Federal child tax credit" means the federal child tax credit described in Section 24,
38 Internal Revenue Code, including the refundable portion of the child tax credit.2-6(c)

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

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

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

44 (ii) who is younger than six years old on the last day of the claimant's taxable year.

45 (d) "Qualifying claimant" means a claimant who:

46 (i) qualifies for and claims the federal child tax credit during the previous taxable year;
47 and

48 (ii) (A) if the claimant has a filing status other than a joint filing status, has adjusted
49 gross income of \$75,000 or less; or

50 (B) if the claimant has a joint filing status, has adjusted gross income of \$85,000 or
51 less.

52 (2) Subject to Section 59-10-1102.1, a qualifying claimant may claim a refundable
53 child tax credit equal to a percentage of the federal child tax credit that the qualifying claimant
54 was entitled to claim on a federal income tax return in the previous taxable year for each
55 qualifying child as follows:

56 (a) if the federal child tax credit for the previous taxable year is equal to or greater than
57 the federal child tax credit amount in a taxable year beginning on or after January 1, 2021, and
58 beginning before January 1, 2022, for a child younger than six years old:

59 (i) for a qualifying claimant with a filing status other than a joint filing status:
60 (A) whose adjusted gross income is \$25,000 or less, 30%;
61 (B) whose adjusted gross income is more than \$25,000 and no more than \$50,000,
62 15%; and
63 (C) whose adjusted gross income is more than \$50,000 and no more than \$75,000, 5%;
64 and
65 (ii) for a qualifying claimant with a joint filing status:
66 (A) whose adjusted gross income is \$35,000 or less, 30%;
67 (B) whose adjusted gross income is more than \$35,000 and no more than \$60,000,
68 15%; and
69 (C) whose adjusted gross income is more than \$60,000 and no more than \$85,000, 5%;
70 or
71 (b) if the federal child tax credit for the previous taxable year is less than the federal
72 child tax credit amount in a taxable year beginning on or after January 1, 2021, and beginning
73 before January 1, 2022, for a child younger than six years old:
74 (i) for a qualifying claimant with a filing status other than a joint filing status:
75 (A) whose adjusted gross income is \$25,000 or less, 60%;
76 (B) whose adjusted gross income is more than \$25,000 and no more than \$50,000,
77 30%; and
78 (C) whose adjusted gross income is more than \$50,000 and no more than \$75,000,
79 10%; and
80 (ii) for a qualifying claimant with a joint filing status:
81 (A) whose adjusted gross income is \$35,000 or less, 60%;
82 (B) whose adjusted gross income is more than \$35,000 and no more than \$60,000,
83 30%; and
84 (C) whose adjusted gross income is more than \$60,000 and no more than \$85,000,
85 10%.
86 **Section 3. Retrospective operation.**
87 This bill has retrospective operation for a taxable year beginning on or after January 1,
88 2023.