

LAWN EQUIPMENT TAX CREDIT AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Stephanie Pitcher

House Sponsor: _____

LONG TITLE**General Description:**

This bill creates a nonrefundable income tax credit for sales of new, electric-powered lawn equipment.

Highlighted Provisions:

This bill:

- defines terms;
 - enacts a nonrefundable income tax credit for sellers that sell new, electric-powered lawn equipment at a discount;
 - requires a seller that intends to claim the tax credit to report information about sales to the State Tax Commission;
 - schedules the repeal of the tax credit but requires legislative review before repeal;
- and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

63I-1-259, as last amended by Laws of Utah 2023, Chapter 52



ENACTS:

[59-1-214](#), Utah Code Annotated 1953

[59-7-627](#), Utah Code Annotated 1953

[59-10-1048](#), Utah Code Annotated 1953

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

Section 1. Section **59-1-214** is enacted to read:

59-1-214. Reporting of lawn equipment sales.

(1) As used in this section:

(a) "Discount" means the subtraction of 30% or more off of the purchase price for which a seller offers an item of lawn equipment for purchase.

(b) "Lawn equipment" means a chainsaw, an edger, a lawn mower, a leaf blower, a leaf vacuum, a trimmer, or a snowblower.

(c) "Purchase price" means the same as that term is defined in Section [59-12-102](#).

(d) "Retail sale" means the same as that term is defined in Section [59-12-102](#).

(2) A seller of lawn equipment that intends to claim a tax credit described in Section [59-7-627](#) or [59-10-1048](#) shall report to the commission annually, on or before the due date, not including extensions, for filing an income tax return for the previous taxable year:

(a) identifying information of the seller;

(b) the aggregate purchase price for all retail sales in the state of new, electric-powered lawn equipment sold by the seller at a discount during the previous taxable year; and

(c) a certification that the seller included only the purchase price of new, electric-powered lawn equipment:

(i) that is sold within the state; and

(ii) for which the purchaser received a discount.

(3) Lawn equipment is sold within the state if the seller sources the sale to the state in accordance with Sections [59-12-211](#) through [59-12-215](#).

(4) The commission shall report the information reported in accordance with Subsection (2)(b), by taxable year, for all sellers that are eligible to claim a tax credit described in Section [59-7-627](#) or [59-10-1048](#) to the committee assigned to complete the review required by Section [63I-1-259](#).

Section 2. Section **59-7-627** is enacted to read:

59-7-627. Nonrefundable tax credit for seller of electric lawn equipment.

(1) As used in this section:

(a) "Discount" means the same as that term is defined in Section [59-1-214](#).

(b) "Lawn equipment" means the same as that term is defined in Section [59-1-214](#).

(c) "Purchase price" means the same as that term is defined in Section [59-12-102](#).

(d) "Qualifying taxpayer" means a taxpayer that complies with the requirements described in Section [59-1-214](#).

(e) "Retail sale" means the same as that term is defined in Section [59-12-102](#).

(2) For a taxable year beginning before January 1, 2027, a qualifying taxpayer may claim a nonrefundable tax credit equal to 30% of the purchase price for all retail sales in the state of new, electric-powered lawn equipment that the qualifying taxpayer sold at a discount during the taxable year.

(3) (a) A qualifying taxpayer may carry forward, to the next five taxable years, the amount of the tax credit that exceeds the qualifying taxpayer's tax liability for the taxable year.

(b) A qualifying taxpayer may not carry back the amount of the tax credit that exceeds the qualifying taxpayer's tax liability for the taxable year.

(4) Lawn equipment is sold within the state if the qualifying taxpayer sources the sale to the state in accordance with Sections [59-12-211](#) through [59-12-215](#).

Section 3. Section **59-10-1048** is enacted to read:

59-10-1048. Nonrefundable tax credit for seller of electric lawn equipment.

(1) As used in this section:

(a) "Discount" means the same as that term is defined in Section [59-1-214](#).

(b) "Lawn equipment" means the same as that term is defined in Section [59-1-214](#).

(c) "Purchase price" means the same as that term is defined in Section [59-12-102](#).

(d) "Qualifying claimant" means a claimant, estate, or trust that complies with the requirements described in Section [59-1-214](#).

(e) "Retail sale" means the same as that term is defined in Section [59-12-102](#).

(2) For a taxable year beginning before January 1, 2027, a qualifying claimant may claim a nonrefundable tax credit equal to 30% of the purchase price for all retail sales in the state of new, electric-powered lawn equipment that the qualifying claimant sold at a discount

during the taxable year.

(3) (a) A qualifying claimant may carry forward, to the next five taxable years, the amount of the tax credit that exceeds the qualifying claimant's tax liability for the taxable year.

(b) A qualifying claimant may not carry back the amount of the tax credit that exceeds the qualifying claimant's tax liability for the taxable year.

(4) Lawn equipment is sold within the state if the qualifying claimant sources the sale to the state in accordance with Sections [59-12-211](#) through [59-12-215](#).

Section 4. Section **63I-1-259** is amended to read:

63I-1-259. Repeal dates: Title 59.

(1) Section [59-1-213.1](#) is repealed May 9, 2024.

(2) Section [59-1-213.2](#) is repealed May 9, 2024.

(3) Section [59-1-214](#) is repealed December 31, 2027.

~~[(3)]~~ (4) Subsection [59-1-403](#)(4)(aa), which authorizes the State Tax Commission to inform the Department of Workforce Services whether an individual claimed a federal earned income tax credit, is repealed July 1, 2029.

~~[(4)]~~ (5) Subsection [59-1-405](#)(1)(g) is repealed May 9, 2024.

~~[(5)]~~ (6) Subsection [59-1-405](#)(2)(b) is repealed May 9, 2024.

~~[(6)]~~ (7) Section [59-7-618.1](#) is repealed July 1, 2029.

(8) Section [59-7-627](#) is repealed December 31, 2027.

~~[(7)]~~ (9) Section [59-9-102.5](#) is repealed December 31, 2030.

~~[(8)]~~ (10) Section [59-10-1033.1](#) is repealed July 1, 2029.

(11) Section [59-10-1048](#) is repealed December 31, 2027.

Section 5. **Effective date.**

This bill takes effect on May 1, 2024.

Section 6. **Retrospective operation.**

(1) The following sections have retrospective operation for a taxable year beginning on or after January 1, 2024:

(a) Section [59-7-627](#), effective May 1, 2024; and

(b) Section [59-10-1048](#), effective May 1, 2024.