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CHILD TAX CREDIT MODIFICATIONS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Susan Pulsipher

Senate Sponsor: ____________

LONG TITLE

General Description:

This bill modifies the child tax credit.

Highlighted Provisions:

This bill:

- raises the age of a child dependent for whom an individual taxpayer may claim a child tax credit; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

59-10-1047, as enacted by Laws of Utah 2023, Chapter 462

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

Section 1. Section **59-10-1047** is amended to read:

59-10-1047. 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.

(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).

(e) "Qualifying child" means an individual:

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

(ii) who is at least one year old and younger than [~~four~~] six years old on the last day of the claimant's taxable year.

(f) "Single filing status" means a single individual who files a single federal individual income tax return for the taxable year.

(2) Subject to Subsection 59-10-1002.2, a claimant may claim a nonrefundable tax credit of $1,000 for each qualifying child.

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

(4) The tax credit allowed by Subsection (2) claimed on a return filed under this part shall be reduced by $.10 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, $27,000;

(b) for a federal individual income tax return that is allowed a single filing status or head of household filing status, $43,000; and

(c) for a federal individual income tax return [~~under this chapter~~] that is allowed a joint filing status, $54,000.

Section 2. **Effective date.**

This bill takes effect for a taxable year beginning on or after January 1, 2025.