

**CORPORATE INCOME TAX CREDIT AMENDMENTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Stewart E. Barlow**

Senate Sponsor: Lincoln Fillmore

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**LONG TITLE****Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 14 voting for 0 voting against 5 absent

**General Description:**

This bill provides for the repeal of the corporate Achieving a Better Life Experience Program income tax credit.

**Highlighted Provisions:**

This bill:

- provides that a corporate contributor to an Achieving a Better Life Experience Program account may claim the income tax credit for the 2020 taxable year only; and

- schedules the repeal of the corporate Achieving a Better Life Experience Program income tax credit.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**59-7-620**, as last amended by Laws of Utah 2017, Chapter 222

63I-2-259, as last amended by Laws of Utah 2018, Second Special Session, Chapter 6

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

Section 1. Section 59-7-620 is amended to read:

**59-7-620. Nonrefundable tax credit for contribution to state Achieving a Better Life Experience Program account.**

(1) As used in this section:

(a) "Account" means an account in a qualified ABLE program where the designated beneficiary of the account is a resident of this state.

(b) "Contributor" means a corporation that:

(i) makes a contribution to an account; and

(ii) receives a statement from the qualified ABLE program itemizing the contribution.

(c) "Designated beneficiary" means the same as that term is defined in 26 U.S.C. Sec. 529A.

(d) "Qualified ABLE program" means the same as that term is defined in Section 35A-12-102.

(2) [A] For a taxable year beginning on or after January 1, 2020, but beginning on or before December 31, 2020, a contributor to an account may claim a nonrefundable tax credit as provided in this section.

(3) Subject to the other provisions of this section, the tax credit is equal to the product of:

(a) 5%; and

(b) the total amount of contributions:

(i) the contributor makes for the taxable year; and

(ii) for which the contributor receives a statement from the qualified ABLE program itemizing the contributions.

(4) A contributor may not claim a tax credit under this section:

(a) for an amount of excess contribution to an account that is returned to the contributor; or

(b) with respect to an amount the contributor deducts on a federal income tax return.

(5) A tax credit under this section may not be carried forward or carried back.

59 Section 2. Section **63I-2-259** is amended to read:

60 **63I-2-259. Repeal dates -- Title 59.**

61 [~~(1) Section **59-1-102** is repealed on May 14, 2019.~~]

62 [~~(2)~~] (1) In Section **59-2-926**, the language that states "applicable" and "or  
63 **53F-2-301.5**" is repealed July 1, 2023.

64 [~~(3) Subsection **59-2-1007**(15) is repealed on December 31, 2018.~~]

65 (2) Section **59-7-620** is repealed December 31, 2021.

66 Section 3. **Retrospective operation.**

67 (1) Except as provided in Subsection (2), this bill has retrospective operation for a  
68 taxable year beginning on or after January 1, 2020.

69 (2) The amendments to Section 63I-2-259 take effect on May 12, 2020.