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S.B. 281

MODIFICATIONS TO MILITARY INCOME TAX

2023 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ann Millner

House Sponsor: ____________

LONG TITLE

General Description:

This bill enacts a military member income tax credit.

Highlighted Provisions:

This bill:

- enacts a nonrefundable income tax credit for certain members of the armed forces who are deployed on active military duty outside of the United States.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

59-10-1046, Utah Code Annotated 1953

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

Section 1. Section **59-10-1046** is enacted to read:

59-10-1046. Nonrefundable tax credit for active duty military member.

(1) As used in this section:

(a) "Military pay" means compensation that relates to service in the armed forces.

(b) "Qualifying claimant" means a resident individual who:

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(i) is deployed on active military duty for at least 300 consecutive days of the taxable year outside of a state of the United States, the District of Columbia, or a possession of the United States; and

(ii) does not have a spouse or dependent residing within a state of the United States, the District of Columbia, or a possession of the United States.

(2) A qualifying claimant who receives military pay may claim a nonrefundable tax credit equal to the product of:

(a) the percentage listed in Subsection 59-10-104(2); and

(b) the amount of military pay that is included in adjusted gross income on the qualifying claimant's federal income tax return for the taxable year.

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

Section 2. **Effective date.**

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