

State Tax Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Steve Eliason

Senate Sponsor: Daniel McCay

LONG TITLE

General Description:

This bill modifies provisions relating to the tax code.

Highlighted Provisions:

This bill:

- repeals obsolete language;
- provides the scope of the State Tax Commission's authority to share income tax return information with the Department of Workforce Services to determine eligibility for public assistance;
- provides the circumstances under which there is an annual limit on the total amount of interest that the commission pays;
- requires a payment settlement entity, such as a marketplace facilitator, to file certain federal forms for a participating payee with an address in the state with the State Tax Commission;
- clarifies what is a commercial unit for purposes of claiming a commercial energy system tax credit;
- updates the circumstances under which an individual is exempt from individual income tax;
- creates a deduction for individuals who have to repay social security that is subject to income tax;
- provides for the repeal of the enterprise zone tax credit, which, by statute, automatically expired;
- extends the carry forward period for a tax credit available to a pass-through entity taxpayer who receives income from a pass-through entity that paid the income tax on the income;

- provides the circumstances for the automatic removal of refundable individual income tax credits from the income tax return; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

This bill provides retrospective operation.

Utah Code Sections Affected:**AMENDS:**

- 19-12-203 (Effective 01/01/26)**, as enacted by Laws of Utah 2014, Chapter 24
- 31A-32a-103 (Effective 05/07/25)**, as last amended by Laws of Utah 2008, Chapter 389
- 35A-3-105 (Effective 05/07/25)**, as last amended by Laws of Utah 2015, Chapter 221
- 59-1-402 (Effective 01/01/26)**, as last amended by Laws of Utah 2024, Chapter 290
- 59-1-403 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Chapters 25, 35
- 59-7-614 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by Laws of Utah 2024, Chapter 53
- 59-7-614.10 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by Laws of Utah 2021, Chapter 282
- 59-10-104.1 (Effective 01/01/26)**, as last amended by Laws of Utah 2008, Chapter 389
- 59-10-114 (Effective 01/01/26)**, as last amended by Laws of Utah 2023, Chapter 470
- 59-10-510 (Effective 01/01/26)**, as last amended by Laws of Utah 2009, Chapter 212
- 59-10-1037 (Effective 05/07/25) (Applies beginning 01/01/25)**, as last amended by Laws of Utah 2021, Chapter 282
- 59-10-1042 (Effective 01/01/26)**, as last amended by Laws of Utah 2023, Chapter 459
- 59-10-1045 (Effective 01/01/26) (Applies beginning 01/01/25)**, as last amended by Laws of Utah 2023, Chapter 470
- 63I-2-259 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Third Special Session, Chapter 5
- 63I-2-263 (Effective 05/07/25)**, as last amended by Laws of Utah 2024, Third Special Session, Chapter 5

ENACTS:

- 59-1-1801 (Effective 01/01/26)**, Utah Code Annotated 1953
- 59-1-1802 (Effective 01/01/26)**, Utah Code Annotated 1953

62 **59-10-1102.2 (Effective 05/07/25) (Applies beginning 01/01/25), Utah Code**
63 Annotated 1953

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

66 Section 1. Section **19-12-203** is amended to read:

67 **19-12-203 (Effective 01/01/26). Refunds -- Interest.**

- 68 (1) A person [who] that pays a tax under Title 59, Chapter 12, Sales and Use Tax Act, on a
69 purchase or lease that would otherwise be exempt under Section 19-12-201, except that
70 the director has not issued a certification under Section 19-12-303, may obtain a refund
71 of the tax if:
- 72 (a) the director subsequently issues a certification under Section 19-12-303; and
73 (b) the person files a claim for the refund with the State Tax Commission on or before
74 the earlier of:
- 75 (i) three years after the date the director issues the certification under Section
76 19-12-303; or
77 (ii) six years after the date the person pays the tax under Title 59, Chapter 12, Sales
78 and Use Tax Act.
- 79 (2) A person [who] that pays a tax under Title 59, Chapter 12, Sales and Use Tax Act, on a
80 purchase or lease that is exempt under Section 19-12-201, may obtain a refund of the tax
81 if the person files a claim for the refund with the State Tax Commission within three
82 years after the date the person pays the tax under Title 59, Chapter 12, Sales and Use
83 Tax Act.
- 84 (3)(a) If a person files a claim for a refund of taxes under Subsection (1) within 180 days
85 after the date the director issues a certification under Section 19-12-303, interest shall
86 be added to the amount of the refund the State Tax Commission grants:
- 87 (i) at the interest rate [prescribed] and, except as provided in Subsection (3)(a)(ii), in
88 the manner provided in Section 59-1-402; and
89 (ii) beginning on the date the person pays the tax under Title 59, Chapter 12, Sales
90 and Use Tax Act, for which the person is claiming the refund.
- 91 (b) If a person files a claim for a refund of taxes under Subsection (1) more than 180
92 days after the date the director issues a certification under Section 19-12-303, interest
93 shall be added to the amount of the refund the State Tax Commission grants:
- 94 (i) at the interest rate [prescribed] and, except as provided in Subsection (3)(b)(ii), in
95 the manner provided in Section 59-1-402; and

- (ii) beginning 30 days after the date the person files the claim for a refund.
- (4) If a person files a claim for a refund of taxes under Subsection (2), interest shall be added to the amount of the refund the State Tax Commission grants:
- (a) at the interest rate ~~[prescribed]~~ and, except as provided in Subsection (4)(b), in the manner provided in Section 59-1-402; and
- (b) beginning 30 days after the date the person files the claim for the refund.
- Section 2. Section **31A-32a-103** is amended to read:
- 31A-32a-103 (Effective 05/07/25). Establishing medical care savings accounts.**
- ~~[(1) For a taxable year beginning on or after January 1, 1995:]~~
- ~~[(a)] (1)(a) [an] An~~ employer, except as otherwise provided by contract or a collective bargaining agreement, may offer a medical care savings account program to the employer's employees~~[; or]~~ .
- (b) ~~[a] A~~ resident individual may establish a medical care savings account program for the individual or for the individual's dependents.
- (2)(a) A contribution into an account made by an employer on behalf of an employee, or made by an individual account holder, may not exceed the greater of:
- (i) \$2,000 in any taxable year; or
- (ii) an amount of money equal to the sum of all eligible medical expenses paid by the employee or account holder for that taxable year on behalf of the employee, account holder, or the employee's or account holder's spouse or dependents.
- (b) For purposes of Subsection (2)(a)(ii), eligible medical expenses are limited to expenses in the taxable year that an insurance carrier has applied to the employee's or account holder's deductible.
- (3) An employer that offers a medical care savings account program shall, before making any contributions:
- (a) inform all employees in writing of the fact that these contributions may not be deductible under the federal tax laws; and
- (b) obtain from the employee a written election to participate in the medical care savings account program.
- ~~[(4) Except as provided in Sections 31A-32a-105 and 59-10-114, principal contributed to and interest earned on a medical care savings account and money reimbursed to an employee or account holder for eligible medical expenses are exempt from taxation.]~~
- ~~[(5)] (4)(a)~~ An employer may select a single account administrator for all of the employer's employee's medical care savings accounts.

- (b) If a single account administrator is not selected, an employer may contribute directly to the account holder's individual medical care savings account.

Section 3. Section **35A-3-105** is amended to read:

35A-3-105 (Effective 05/07/25). Determination of eligibility and responsibility -- Information from State Tax Commission.

- (1) [The] Except as prohibited by federal law, the department may have access to relevant information contained in the income tax returns of an applicant, a recipient, or a person who has a duty to support an applicant or recipient, in determining:

- (a) eligibility for public assistance;
- (b) payment responsibilities for institutional care; or
- (c) any other administrative purpose consistent with this chapter.

- (2) The information requested by the department shall be:

- (a) provided by the State Tax Commission, to the extent authorized by federal law, on forms [furnished] provided by the department; and
- (b) treated by the department as a private record under Title 63G, Chapter 2, Government Records Access and Management Act.

Section 4. Section **59-1-402** is amended to read:

59-1-402 (Effective 01/01/26). Definitions -- Interest.

- (1) As used in this section:

- (a) "Final judicial decision" means a final ruling by a court of this state or the United States for which the time for any further review or proceeding has expired.

- (b) "Retroactive application of a judicial decision" means the application of a final judicial decision that:

- (i) invalidates a state or federal taxation statute; and
- (ii) requires the state to provide a refund for an overpayment that was made:

(A) [~~prior to~~] before the final judicial decision; or

(B) during the 180-day period after the final judicial decision.

- (c)(i) [~~Except as provided in Subsection (1)(c)(ii), "tax]~~ "Tax, fee, or charge" means:

(A) a tax, fee, or charge the commission administers under:

(I) this title;

(II) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

(III) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

(IV) Section 19-6-410.5;

- 164 (V) Section 19-6-714;
165 (VI) Section 19-6-805;
166 (VII) Section 34A-2-202;
167 (VIII) Section 40-6-14; or
168 (IX) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service
169 Charges; or
170 (B) another amount that by statute is subject to interest imposed under this section.
171 (ii) "Tax, fee, or charge" does not include a tax, fee, or charge imposed under:
172 (A) Title 41, Chapter 1a, Motor Vehicle Act, except for Section 41-1a-301;
173 (B) Title 41, Chapter 3, Motor Vehicle Business Regulation Act;
174 (C) Chapter 2, Property Tax Act, except for Section 59-2-1309;
175 (D) Chapter 3, Tax Equivalent Property Act;
176 (E) Chapter 4, Privilege Tax; or
177 (F) Chapter 13, Part 5, Interstate Agreements.
- 178 (2) Except as otherwise provided for by law, the commission shall calculate the interest rate
179 for a calendar year for a tax, fee, or charge ~~administered by the commission shall be~~
180 ~~calculated]~~ the commission administers based on the federal short-term rate determined
181 by the Secretary of the Treasury under Section 6621, Internal Revenue Code, in effect
182 for the preceding fourth calendar quarter.
- 183 (3) The interest rate calculation shall be as follows:
184 (a) except as provided in Subsection (7), in the case of an overpayment or refund, the
185 commission shall calculate simple interest ~~[shall be calculated]~~ at the rate of two
186 percentage points above the federal short-term rate; or
187 (b) in the case of an underpayment, deficiency, or delinquency, the commission shall
188 calculate simple interest ~~[shall be calculated]~~ at the rate of two percentage points
189 above the federal short-term rate.
- 190 (4) Notwithstanding Subsection (2) or (3), the commission shall determine the interest rate
191 applicable to certain installment sales for purposes of a tax under Chapter 7, Corporate
192 Franchise and Income Taxes, ~~[shall be determined]~~ in accordance with Section 453A,
193 Internal Revenue Code, as provided in Section 59-7-112.
- 194 (5)(a) Except as provided in Subsection (5)(c), the commission may not pay interest [
195 ~~may not be allowed]~~ on an overpayment of a tax, fee, or charge if the overpayment of
196 the tax, fee, or charge is refunded within:
197 (i) 45 days after the last date ~~[prescribed]~~ provided for filing the return;

- 198 (A) with respect to a tax under Chapter 7, Corporate Franchise and Income Taxes,
199 or Chapter 10, Individual Income Tax Act[;] ; and
200 (B) if the return is filed electronically; or
201 (ii) 90 days after the last date [~~prescribed~~] provided for filing the return:
202 (A) with respect to a tax, fee, or charge, except for a tax under Chapter 7,
203 Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax
204 Act; or
205 (B) if the return is not filed electronically.
206 (b) Except as provided in Subsection (5)(c), if [~~the return is filed after the last date~~
207 ~~prescribed~~] a person files a return after the last date provided for filing the return,
208 interest [~~may not be~~] is not allowed on the overpayment if the overpayment is
209 refunded within:
210 (i) 45 days after the date the return is filed:
211 (A) with respect to a tax under Chapter 7, Corporate Franchise and Income Taxes,
212 or Chapter 10, Individual Income Tax Act; and
213 (B) if the return is filed electronically; or
214 (ii) 90 days after the date the return is filed:
215 (A) with respect to a tax, fee, or charge, except for a tax under Chapter 7,
216 Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax
217 Act; or
218 (B) if the return is not filed electronically.
219 (c)(i) Subject to Subsection [~~(5)(d)~~] (5)(c)(ii), for an amended return, the commission
220 shall pay interest on an overpayment [~~is allowed~~] for a time period:
221 (A) that begins on the later of[;]
222 [~~(H)~~] the date the original return was filed[;] or
223 [~~(H)~~] the due date for filing the original return not including any extensions for
224 filing the original return; and
225 (B) that ends on the date the commission receives the amended return.
226 (ii)(A) For interest that accrues on or after January 1, 2026, the maximum amount
227 of interest authorized by Subsection (5)(c)(i) is \$100 per calendar year.
228 (B) Subsection (5)(c)(ii)(A) does not apply to an overpayment provided to a
229 federally recognized tribe or an overpayment resulting from commission error.
230 [~~(ii)~~] (iii) For an amended return filed electronically with respect to a tax under
231 Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual

Income Tax Act, the commission shall pay interest on an overpayment ~~[is allowed]~~ if the commission does not process a refund of the overpayment within a 45-day period after the date the commission receives the amended return, for a time period:

(A) that begins 46 days after the commission receives the amended return; and

(B) that ends on the date that the commission completes processing the refund of the overpayment.

~~[(iii)]~~ (iv) For an amended return not filed electronically or with respect to any tax, fee, or charge not described in Subsection ~~[(5)(e)(ii)]~~ (5)(c)(iii), the commission shall pay interest on an overpayment ~~[is allowed]~~ if the commission does not process a refund of the overpayment within a 90-day period after the date the commission receives the amended return, for a time period:

(A) that begins 91 days after the commission receives the amended return; and

(B) that ends on the date that the commission completes processing the refund of the overpayment.

~~[(d)(i) This Subsection (5)(d) applies to interest on an overpayment under Subsection (5)(c)(i) in which:]~~

~~[(A) the amount of interest accruing on the overpayment on or after January 1, 2025, exceeds \$200 in any calendar year during the time period described in Subsection (5)(c)(i); and]~~

~~[(B) the amount of the overpayment exceeds 30% of the taxpayer's total tax liability as originally reported for the tax, fee, or charge to which the overpayment applies during the time period described in Subsection (5)(c)(i).]~~

~~[(ii) This Subsection (5)(d) does not apply to:]~~

~~[(A) an overpayment provided to a federally-recognized tribe; or]~~

~~[(B) an overpayment resulting from commission error.]~~

~~[(iii) The annual interest rate imposed on an overpayment described in Subsection (5)(d)(i) shall be calculated at the rate of two percentage points below the federal short-term rate.]~~

~~[(iv) Notwithstanding Subsection (5)(d)(iii), for an overpayment described in Subsection (5)(d)(i):]~~

~~[(A) the interest rate imposed on the overpayment shall be a rate of no less than 0% and no more than 3%; and]~~

~~[(B) the amount of interest accruing in a calendar year for an overpayment may~~

not be less than \$200, unless the amount of interest that would have accrued during the calendar year is less than \$200 when calculated using the interest rate described in Subsection (3).]

- (6) [Interest on any underpayment, deficiency, or delinquency of a tax, fee, or charge shall be computed] The commission shall compute interest on any underpayment, deficiency, or delinquency of a tax, fee, or charge from the time the original return is due, excluding any filing or payment extensions, to the date the payment is received.
- (7) [Interest on a refund relating to a tax, fee, or charge may not be paid on any overpayment] The commission may not pay interest on a refund relating to an overpayment of a tax, fee, or charge that arises from a statute that is determined to be invalid under state or federal law or declared unconstitutional under the constitution of the United States or Utah if the basis for the refund is the retroactive application of a judicial decision upholding the claim of unconstitutionality or the invalidation of a statute.

Section 5. Section **59-1-403** is amended to read:

59-1-403 (Effective 05/07/25). Confidentiality -- Exceptions -- Penalty -- Application to property tax.

- (1) As used in this section:

(a) "Distributed tax, fee, or charge" means a tax, fee, or charge:

(i) the commission administers under:

(A) this title, other than a tax under Chapter 12, Part 2, Local Sales and Use Tax Act;

(B) Title 10, Chapter 1, Part 3, Municipal Energy Sales and Use Tax Act;

(C) Title 10, Chapter 1, Part 4, Municipal Telecommunications License Tax Act;

(D) Section 19-6-805;

(E) Section 63H-1-205; or

(F) Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges; and

(ii) with respect to which the commission distributes the revenue collected from the tax, fee, or charge to a qualifying jurisdiction.

(b) "Qualifying jurisdiction" means:

(i) a county, city, or town;

(ii) the military installation development authority created in Section 63H-1-201; or

(iii) the Utah Inland Port Authority created in Section 11-58-201.

- (2)(a) Any of the following may not divulge or make known in any manner any

information gained by that person from any return filed with the commission:

- (i) a tax commissioner;
- (ii) an agent, clerk, or other officer or employee of the commission; or
- (iii) a representative, agent, clerk, or other officer or employee of any county, city, or town.

(b) An official charged with the custody of a return filed with the commission is not required to produce the return or evidence of anything contained in the return in any action or proceeding in any court, except:

- (i) in accordance with judicial order;
- (ii) on behalf of the commission in any action or proceeding under:
 - (A) this title; or
 - (B) other law under which persons are required to file returns with the commission;
- (iii) on behalf of the commission in any action or proceeding to which the commission is a party; or
- (iv) on behalf of any party to any action or proceeding under this title if the report or facts shown by the return are directly involved in the action or proceeding.

(c) Notwithstanding Subsection (2)(b), a court may require the production of, and may admit in evidence, any portion of a return or of the facts shown by the return, as are specifically pertinent to the action or proceeding.

(3) This section does not prohibit:

- (a) a person or that person's duly authorized representative from receiving a copy of any return or report filed in connection with that person's own tax;
- (b) the publication of statistics as long as the statistics are classified to prevent the identification of particular reports or returns; and
- (c) the inspection by the attorney general or other legal representative of the state of the report or return of any taxpayer:
 - (i) who brings action to set aside or review a tax based on the report or return;
 - (ii) against whom an action or proceeding is contemplated or has been instituted under this title; or
 - (iii) against whom the state has an unsatisfied money judgment.

(4)(a) Notwithstanding Subsection (2) and for purposes of administration, the commission may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, provide for a reciprocal exchange of information

334 with:

335 (i) the United States Internal Revenue Service; or

336 (ii) the revenue service of any other state.

337 (b) Notwithstanding Subsection (2) and for all taxes except individual income tax and
338 corporate franchise tax, the commission may by rule, made in accordance with Title
339 63G, Chapter 3, Utah Administrative Rulemaking Act, share information gathered
340 from returns and other written statements with the federal government, any other
341 state, any of the political subdivisions of another state, or any political subdivision of
342 this state, except as limited by Sections 59-12-209 and 59-12-210, if the political
343 subdivision, other state, or the federal government grant substantially similar
344 privileges to this state.

345 (c) Notwithstanding Subsection (2) and for all taxes except individual income tax and
346 corporate franchise tax, the commission may by rule, in accordance with Title 63G,
347 Chapter 3, Utah Administrative Rulemaking Act, provide for the issuance of
348 information concerning the identity and other information of taxpayers who have
349 failed to file tax returns or to pay any tax due.

350 (d) Notwithstanding Subsection (2), the commission shall provide to the director of the
351 Division of Environmental Response and Remediation, as defined in Section
352 19-6-402, as requested by the director of the Division of Environmental Response
353 and Remediation, any records, returns, or other information filed with the
354 commission under Chapter 13, Motor and Special Fuel Tax Act, or Section
355 19-6-410.5 regarding the environmental assurance program participation fee.

356 (e) Notwithstanding Subsection (2), at the request of any person the commission shall
357 provide that person sales and purchase volume data reported to the commission on a
358 report, return, or other information filed with the commission under:

359 (i) Chapter 13, Part 2, Motor Fuel; or

360 (ii) Chapter 13, Part 4, Aviation Fuel.

361 (f) Notwithstanding Subsection (2), upon request from a tobacco product manufacturer,
362 as defined in Section 59-22-202, the commission shall report to the manufacturer:

363 (i) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
364 manufacturer and reported to the commission for the previous calendar year under
365 Section 59-14-407; and

366 (ii) the quantity of cigarettes, as defined in Section 59-22-202, produced by the
367 manufacturer for which a tax refund was granted during the previous calendar

- 368 year under Section 59-14-401 and reported to the commission under Subsection
369 59-14-401(1)(a)(v).
- 370 (g) Notwithstanding Subsection (2), the commission shall notify manufacturers,
371 distributors, wholesalers, and retail dealers of a tobacco product manufacturer that is
372 prohibited from selling cigarettes to consumers within the state under Subsection
373 59-14-210(2).
- 374 (h) Notwithstanding Subsection (2), the commission may:
- 375 (i) provide to the Division of Consumer Protection within the Department of
376 Commerce and the attorney general data:
- 377 (A) reported to the commission under Section 59-14-212; or
378 (B) related to a violation under Section 59-14-211; and
- 379 (ii) upon request, provide to any person data reported to the commission under
380 Subsections 59-14-212(1)(a) through (c) and Subsection 59-14-212(1)(g).
- 381 (i) Notwithstanding Subsection (2), the commission shall, at the request of a committee
382 of the Legislature, the Office of the Legislative Fiscal Analyst, or the Governor's
383 Office of Planning and Budget, provide to the committee or office the total amount of [
384 revenues] revenue collected by the commission under Chapter 24, Radioactive Waste
385 Facility Tax Act, for the time period specified by the committee or office.
- 386 (j) Notwithstanding Subsection (2), the commission shall make the directory required by
387 Section 59-14-603 available for public inspection.
- 388 (k) Notwithstanding Subsection (2), the commission may share information with federal,
389 state, or local agencies as provided in Subsection 59-14-606(3).
- 390 (l)(i) Notwithstanding Subsection (2), the commission shall provide the Office of
391 Recovery Services within the Department of Health and Human Services any
392 relevant information obtained from a return filed under Chapter 10, Individual
393 Income Tax Act, regarding a taxpayer who has become obligated to the Office of
394 Recovery Services.
- 395 (ii) The information described in Subsection (4)(l)(i) may be provided by the Office
396 of Recovery Services to any other state's child support collection agency involved
397 in enforcing that support obligation.
- 398 (m)(i) Notwithstanding Subsection (2), upon request from the state court
399 administrator, the commission shall provide to the state court administrator, the
400 name, address, telephone number, county of residence, and social security number
401 on resident returns filed under Chapter 10, Individual Income Tax Act.

(ii) The state court administrator may use the information described in Subsection (4)(m)(i) only as a source list for the master jury list described in Section 78B-1-106.

(n)(i) As used in this Subsection (4)(n):

(A) "GOEO" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.

(B) "Income tax information" means information gained by the commission that is required to be attached to or included in a return filed with the commission under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

(C) "Other tax information" means information gained by the commission that is required to be attached to or included in a return filed with the commission except for a return filed under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

(D) "Tax information" means income tax information or other tax information.

(ii)(A) Notwithstanding Subsection (2) and except as provided in Subsection (4)(n)(ii)(B) or (C), the commission shall at the request of GOEO provide to GOEO all income tax information.

(B) For purposes of a request for income tax information made under Subsection (4)(n)(ii)(A), GOEO may not request and the commission may not provide to GOEO a person's address, name, social security number, or taxpayer identification number.

(C) In providing income tax information to GOEO, the commission shall in all instances protect the privacy of a person as required by Subsection (4)(n)(ii)(B).

(iii)(A) Notwithstanding Subsection (2) and except as provided in Subsection (4)(n)(iii)(B), the commission shall at the request of GOEO provide to GOEO other tax information.

(B) Before providing other tax information to GOEO, the commission shall redact or remove any name, address, social security number, or taxpayer identification number.

(iv) GOEO may provide tax information received from the commission in accordance with this Subsection (4)(n) only:

(A) as a fiscal estimate, fiscal note information, or statistical information; and

(B) if the tax information is classified to prevent the identification of a particular

- 436 return.
- 437 (v)(A) A person may not request tax information from GOEO under Title 63G,
438 Chapter 2, Government Records Access and Management Act, or this section,
439 if GOEO received the tax information from the commission in accordance with
440 this Subsection (4)(n).
- 441 (B) GOEO may not provide to a person that requests tax information in
442 accordance with Subsection (4)(n)(v)(A) any tax information other than the tax
443 information GOEO provides in accordance with Subsection (4)(n)(iv).
- 444 (o) Notwithstanding Subsection (2), the commission may provide to the governing board
445 of the agreement or a taxing official of another state, the District of Columbia, the
446 United States, or a territory of the United States:
- 447 (i) the following relating to an agreement sales and use tax:
- 448 (A) information contained in a return filed with the commission;
449 (B) information contained in a report filed with the commission;
450 (C) a schedule related to Subsection (4)(o)(i)(A) or (B); or
451 (D) a document filed with the commission; or
- 452 (ii) a report of an audit or investigation made with respect to an agreement sales and
453 use tax.
- 454 (p) Notwithstanding Subsection (2), the commission may provide information
455 concerning a taxpayer's state income tax return or state income tax withholding
456 information to the Driver License Division if the Driver License Division:
457 (i) requests the information; and
458 (ii) provides the commission with a signed release form from the taxpayer allowing
459 the Driver License Division access to the information.
- 460 (q) Notwithstanding Subsection (2), the commission shall provide to the Utah
461 Communications Authority, or a division of the Utah Communications Authority, the
462 information requested by the authority under Sections 63H-7a-302, 63H-7a-402, and
463 63H-7a-502.
- 464 (r) Notwithstanding Subsection (2), the commission shall provide to the Utah
465 Educational Savings Plan information related to a resident or nonresident individual's
466 contribution to a Utah Educational Savings Plan account as designated on the
467 resident or nonresident's individual income tax return as provided under Section
468 59-10-1313.
- 469 (s) Notwithstanding Subsection (2), for the purpose of verifying eligibility under

Sections 26B-3-106 and 26B-3-903, the commission shall provide an eligibility worker with the Department of Health and Human Services or its designee with the adjusted gross income of an individual if:

- (i) an eligibility worker with the Department of Health and Human Services or its designee requests the information from the commission; and
- (ii) the eligibility worker has complied with the identity verification and consent provisions of Sections 26B-3-106 and 26B-3-903.

(t) Notwithstanding Subsection (2), the commission may provide to a county, as determined by the commission, information declared on an individual income tax return in accordance with Section 59-10-103.1 that relates to eligibility to claim a residential exemption authorized under Section 59-2-103.

(u) Notwithstanding Subsection (2), the commission shall provide a report regarding any access line provider that is over 90 days delinquent in payment to the commission of amounts the access line provider owes under Title 69, Chapter 2, Part 4, Prepaid Wireless Telecommunications Service Charges, to the board of the Utah Communications Authority created in Section 63H-7a-201.

(v) Notwithstanding Subsection (2), the commission shall provide the Department of Environmental Quality a report on the amount of tax paid by a radioactive waste facility for the previous calendar year under Section 59-24-103.5.

(w) Notwithstanding Subsection (2), the commission may, upon request, provide to the Department of Workforce Services any information received under Chapter 10, Part 4, Withholding of Tax, that is relevant to the duties of the Department of Workforce Services.

(x) Notwithstanding Subsection (2), the commission may provide the Public Service Commission or the Division of Public Utilities information related to a seller that collects and remits to the commission a charge described in Subsection 69-2-405(2), including the seller's identity and the number of charges described in Subsection 69-2-405(2) that the seller collects.

(y)(i) Notwithstanding Subsection (2), the commission shall provide to each qualifying jurisdiction the collection data necessary to verify the revenue collected by the commission for a distributed tax, fee, or charge collected within the qualifying jurisdiction.

(ii) In addition to the information provided under Subsection (4)(y)(i), the commission shall provide a qualifying jurisdiction with copies of returns and other

information relating to a distributed tax, fee, or charge collected within the qualifying jurisdiction.

(iii)(A) To obtain the information described in Subsection (4)(y)(ii), the chief executive officer or the chief executive officer's designee of the qualifying jurisdiction shall submit a written request to the commission that states the specific information sought and how the qualifying jurisdiction intends to use the information.

(B) The information described in Subsection (4)(y)(ii) is available only in official matters of the qualifying jurisdiction.

(iv) Information that a qualifying jurisdiction receives in response to a request under this subsection is:

(A) classified as a private record under Title 63G, Chapter 2, Government Records Access and Management Act; and

(B) subject to the confidentiality requirements of this section.

(z) Notwithstanding Subsection (2), the commission shall provide the Alcoholic Beverage Services Commission, upon request, with taxpayer status information related to state tax obligations necessary to comply with the requirements described in Section 32B-1-203.

(aa) Notwithstanding Subsection (2), the commission shall inform the Department of Workforce Services, as soon as practicable, whether an individual claimed and is entitled to claim a federal earned income tax credit for the year requested by the Department of Workforce Services if:

(i) the Department of Workforce Services requests this information; and

(ii) the commission has received the information release described in Section 35A-9-604.

(bb)(i) As used in this Subsection (4)(bb), "unclaimed property administrator" means the administrator or the administrator's agent, as those terms are defined in Section 67-4a-102.

(ii)(A) Notwithstanding Subsection (2), upon request from the unclaimed property administrator and to the extent allowed under federal law, the commission shall provide the unclaimed property administrator the name, address, telephone number, county of residence, and social security number or federal employer identification number on any return filed under Chapter 7, Corporate Franchise and Income Taxes, or Chapter 10, Individual Income Tax Act.

- 538 (B) The unclaimed property administrator may use the information described in
539 Subsection (4)(bb)(ii)(A) only for the purpose of returning unclaimed property
540 to the property's owner in accordance with Title 67, Chapter 4a, Revised
541 Uniform Unclaimed Property Act.
- 542 (iii) The unclaimed property administrator is subject to the confidentiality provisions
543 of this section with respect to any information the unclaimed property
544 administrator receives under this Subsection (4)(bb).
- 545 (cc) Notwithstanding Subsection (2), the commission may, upon request, disclose a
546 taxpayer's state individual income tax information to a program manager of the Utah
547 Fits All Scholarship Program under Section 53F-6-402 if:
- 548 (i) the taxpayer consents in writing to the disclosure;
- 549 (ii) the taxpayer's written consent includes the taxpayer's name, social security
550 number, and any other information the commission requests that is necessary to
551 verify the identity of the taxpayer; and
- 552 (iii) the program manager provides the taxpayer's written consent to the commission.
- 553 (dd) Notwithstanding Subsection (2), the commission may provide to the Division of
554 Finance within the Department of Government Operations any information necessary
555 to facilitate a payment from the commission to a taxpayer, including:
- 556 (i) the name of the taxpayer entitled to the payment or any other person legally
557 authorized to receive the payment;
- 558 (ii) the taxpayer identification number of the taxpayer entitled to the payment;
- 559 (iii) the payment identification number and amount of the payment;
- 560 (iv) the tax year to which the payment applies and date on which the payment is due;
- 561 (v) a mailing address to which the payment may be directed; and
- 562 (vi) information regarding an account at a depository institution to which the
563 payment may be directed, including the name of the depository institution, the
564 type of account, the account number, and the routing number for the account.
- 565 (ee) Notwithstanding Subsection (2), the commission shall provide the total amount of [
566 ~~revenues~~] revenue collected by the commission under Subsection 59-5-202(5):
- 567 (i) at the request of a committee of the Legislature, the Office of the Legislative
568 Fiscal Analyst, or the Governor's Office of Planning and Budget, to the committee
569 or office for the time period specified by the committee or office; and
- 570 (ii) to the Division of Finance for purposes of the Division of Finance administering
571 Subsection 59-5-202(5).

(ff) Notwithstanding Subsection (2), the commission may provide the Department of Agriculture and Food with information from a return filed in accordance with Chapter 31, Cannabinoid Licensing and Tax Act.

(gg) Notwithstanding Subsection (2), the commission shall provide the Department of Workforce Services with the information described in Section 35A-3-105.

(5)(a) Each report and return shall be preserved for at least three years.

(b) After the three-year period provided in Subsection (5)(a) the commission may destroy a report or return.

(6)(a) Any individual who violates this section is guilty of a class A misdemeanor.

(b) If the individual described in Subsection (6)(a) is an officer or employee of the state, the individual shall be dismissed from office and be disqualified from holding public office in this state for a period of five years thereafter.

(c) Notwithstanding Subsection (6)(a) or (b), GOEO, when requesting information in accordance with Subsection (4)(n)(iii), or an individual who requests information in accordance with Subsection (4)(n)(v):

(i) is not guilty of a class A misdemeanor; and

(ii) is not subject to:

(A) dismissal from office in accordance with Subsection (6)(b); or

(B) disqualification from holding public office in accordance with Subsection (6)(b).

(d) Notwithstanding Subsection (6)(a) or (b), for a disclosure of information to the Office of the Legislative Auditor General in accordance with Title 36, Chapter 12, Legislative Organization, an individual described in Subsection (2):

(i) is not guilty of a class A misdemeanor; and

(ii) is not subject to:

(A) dismissal from office in accordance with Subsection (6)(b); or

(B) disqualification from holding public office in accordance with Subsection (6)(b).

(7) Except as provided in Section 59-1-404, this part does not apply to the property tax.

Section 6. Section **59-1-1801** is enacted to read:

Part 18. Reportable Transactions by Persons Other than Taxpayers

59-1-1801 (Effective 01/01/26). Definitions.

As used in this part:

(1) "Participating payee" means the same as that term is defined in 26 U.S.C. Sec. 6050W.

(2) "Payment settlement entity" means the same as that term is defined in 26 U.S.C. Sec. 6050W.

Section 7. Section **59-1-1802** is enacted to read:

59-1-1802 (Effective 01/01/26). Reporting by payment settlement entity.

A payment settlement entity that is required to file a return in accordance with 26 U.S.C. Sec. 6050W shall file a return containing the same information with the commission for each participating payee with an address in Utah:

(1) electronically;

(2) in a format approved by the commission; and

(3) within 30 days after the day on which the payment settlement entity is required to file a return with the Internal Revenue Service.

Section 8. Section **59-7-614** is amended to read:

59-7-614 (Effective 05/07/25) (Applies beginning 01/01/25). Clean energy systems tax credits -- Definitions -- Certification -- Rulemaking authority.

(1) As used in this section:

(a)(i) "Active solar system" means a system of equipment that is capable of:

(A) collecting and converting incident solar radiation into thermal, mechanical, or electrical energy; and

(B) transferring a form of energy described in Subsection (1)(a)(i)(A) by a separate apparatus to storage or to the point of use.

(ii) "Active solar system" includes water heating, space heating or cooling, and electrical or mechanical energy generation.

(b) "Biomass system" means a system of apparatus and equipment for use in:

(i) converting material into biomass energy, as defined in Section 59-12-102; and

(ii) transporting the biomass energy by separate apparatus to the point of use or storage.

(c) "Clean energy source" means the same as that term is defined in Section 54-17-601.

(d) "Commercial energy system" means a system that is:

(i)(A) an active solar system;

(B) a biomass system;

(C) a direct use geothermal system;

(D) a geothermal electricity system;

(E) a geothermal heat pump system;

(F) a hydroenergy system;

- 640 (G) a passive solar system; or
641 (H) a wind system;
642 (ii) located in the state; and
643 (iii) used:
644 (A) to supply energy to a commercial unit; or
645 (B) as a commercial enterprise.
- 646 (e) "Commercial enterprise" means an entity, the purpose of which is to produce:
647 (i) electrical, mechanical, or thermal energy for sale from a commercial energy
648 system; or
649 (ii) hydrogen for sale from a hydrogen production system.
- 650 (f)(i) "Commercial unit" means a building or structure, other than a residence, that an
651 entity uses to transact business.
652 (ii) Notwithstanding Subsection (1)(f)(i):
653 (A) with respect to an active solar system used for agricultural water pumping or a
654 wind system, each individual energy generating device is considered to be a
655 commercial unit; or
656 (B) if an energy system is the building or structure that an entity uses to transact
657 business, a commercial unit is the complete energy system itself.
- 658 (g) "Direct use geothermal system" means a system of apparatus and equipment that
659 enables the direct use of geothermal energy to meet energy needs, including heating a
660 building, an industrial process, and aquaculture.
- 661 (h) "Geothermal electricity" means energy that is:
662 (i) contained in heat that continuously flows outward from the earth; and
663 (ii) used as a sole source of energy to produce electricity.
- 664 (i) "Geothermal energy" means energy generated by heat that is contained in the earth.
- 665 (j) "Geothermal heat pump system" means a system of apparatus and equipment that:
666 (i) enables the use of thermal properties contained in the earth at temperatures well
667 below 100 degrees Fahrenheit; and
668 (ii) helps meet heating and cooling needs of a structure.
- 669 (k) "Hydroenergy system" means a system of apparatus and equipment that is capable of:
670 (i) intercepting and converting kinetic water energy into electrical or mechanical
671 energy; and
672 (ii) transferring this form of energy by separate apparatus to the point of use or
673 storage.

- 674 (l) "Hydrogen production system" means a system of apparatus and equipment, located
675 in this state, that uses:
- 676 (i) electricity from a clean energy source to create hydrogen gas from water,
677 regardless of whether the clean energy source is at a separate facility or the same
678 facility as the system of apparatus and equipment; or
679 (ii) uses renewable natural gas to produce hydrogen gas.
- 680 (m) "Office" means the Office of Energy Development created in Section 79-6-401.
- 681 (n)(i) "Passive solar system" means a direct thermal system that utilizes the structure
682 of a building and the structure's operable components to provide for collection,
683 storage, and distribution of heating or cooling during the appropriate times of the
684 year by utilizing the climate resources available at the site.
- 685 (ii) "Passive solar system" includes those portions and components of a building that
686 are expressly designed and required for the collection, storage, and distribution of
687 solar energy.
- 688 (o) "Photovoltaic system" means an active solar system that generates electricity from
689 sunlight.
- 690 (p)(i) "Principal recovery portion" means the portion of a lease payment that
691 constitutes the cost a person incurs in acquiring a commercial energy system.
- 692 (ii) "Principal recovery portion" does not include:
- 693 (A) an interest charge; or
694 (B) a maintenance expense.
- 695 (q) "Residential energy system" means the following used to supply energy to or for a
696 residential unit:
- 697 (i) an active solar system;
698 (ii) a biomass system;
699 (iii) a direct use geothermal system;
700 (iv) a geothermal heat pump system;
701 (v) a hydroenergy system;
702 (vi) a passive solar system; or
703 (vii) a wind system.
- 704 (r)(i) "Residential unit" means a house, condominium, apartment, or similar dwelling
705 unit that:
- 706 (A) is located in the state; and
707 (B) serves as a dwelling for a person, group of persons, or a family.

(ii) "Residential unit" does not include property subject to a fee under:

(A) Section 59-2-405;

(B) Section 59-2-405.1;

(C) Section 59-2-405.2;

(D) Section 59-2-405.3; or

(E) Section 72-10-110.5.

(s) "Wind system" means a system of apparatus and equipment that is capable of:

(i) intercepting and converting wind energy into mechanical or electrical energy; and

(ii) transferring these forms of energy by a separate apparatus to the point of use, sale, or storage.

(2) A taxpayer may claim an energy system tax credit as provided in this section against a tax due under this chapter for a taxable year.

(3)(a) Subject to the other provisions of this Subsection (3), a taxpayer may claim a nonrefundable tax credit under this Subsection (3) with respect to a residential unit the taxpayer owns or uses if:

(i) the taxpayer:

(A) purchases and completes a residential energy system to supply all or part of the energy required for the residential unit; or

(B) participates in the financing of a residential energy system to supply all or part of the energy required for the residential unit; and

(ii) the taxpayer obtains a written certification from the office in accordance with Subsection (8).

(b)(i) Subject to Subsections (3)(b)(ii) through (iv) and, as applicable, Subsection (3)(c) or (d), the tax credit is equal to 25% of the reasonable costs of each residential energy system installed with respect to each residential unit the taxpayer owns or uses.

(ii) A tax credit under this Subsection (3) may include installation costs.

(iii) A taxpayer may claim a tax credit under this Subsection (3) for the taxable year in which the residential energy system is completed and placed in service.

(iv) If the amount of a tax credit under this Subsection (3) exceeds a taxpayer's tax liability under this chapter for a taxable year, the taxpayer may carry forward the amount of the tax credit exceeding the liability for a period that does not exceed the next four taxable years.

(c) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a

- 742 residential energy system, other than a photovoltaic system, may not exceed \$2,000
743 per residential unit.
- 744 (d) The total amount of tax credit a taxpayer may claim under this Subsection (3) for a
745 photovoltaic system may not exceed:
- 746 (i) for a system installed on or after January 1, 2018, but on or before December 31,
747 2020, \$1,600;
- 748 (ii) for a system installed on or after January 1, 2021, but on or before December 31,
749 2021, \$1,200;
- 750 (iii) for a system installed on or after January 1, 2022, but on or before December 31,
751 2022, \$800;
- 752 (iv) for a system installed on or after January 1, 2023, but on or before December 31,
753 2023, \$400; and
- 754 (v) for a system installed on or after January 1, 2024, \$0.
- 755 (e) If a taxpayer sells a residential unit to another person before the taxpayer claims the
756 tax credit under this Subsection (3):
- 757 (i) the taxpayer may assign the tax credit to the other person; and
- 758 (ii)(A) if the other person files a return under this chapter, the other person may
759 claim the tax credit under this section as if the other person had met the
760 requirements of this section to claim the tax credit; or
- 761 (B) if the other person files a return under Chapter 10, Individual Income Tax Act,
762 the other person may claim the tax credit under Section 59-10-1014 as if the
763 other person had met the requirements of Section 59-10-1014 to claim the tax
764 credit.
- 765 (4)(a) Subject to the other provisions of this Subsection (4), a taxpayer may claim a
766 refundable tax credit under this Subsection (4) with respect to a commercial energy
767 system if:
- 768 (i) the commercial energy system does not use:
- 769 (A) wind, geothermal electricity, solar, or biomass equipment capable of
770 producing a total of 660 or more kilowatts of electricity; or
- 771 (B) solar equipment capable of producing 2,000 or more kilowatts of electricity;
- 772 (ii) the taxpayer purchases or participates in the financing of the commercial energy
773 system;
- 774 (iii)(A) the commercial energy system supplies all or part of the energy required
775 by commercial units owned or used by the taxpayer; or

- 776 (B) the taxpayer sells all or part of the energy produced by the commercial energy
777 system as a commercial enterprise;
- 778 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)
779 for hydrogen production using electricity for which the taxpayer claims a tax
780 credit under this Subsection (4); and
- 781 (v) the taxpayer obtains a written certification from the office in accordance with
782 Subsection (8).
- 783 (b)(i) Subject to Subsections (4)(b)(ii) through (iv), the tax credit is equal to 10% of
784 the reasonable costs of the commercial energy system.
- 785 (ii) A tax credit under this Subsection (4) may include installation costs.
- 786 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (4) for the
787 taxable year in which the commercial energy system is completed and placed in
788 service.
- 789 (iv) The total amount of tax credit a taxpayer may claim under this Subsection (4)
790 may not exceed \$50,000 per commercial unit.
- 791 (c)(i) Subject to Subsections (4)(c)(ii) and (iii), a taxpayer that is a lessee of a
792 commercial energy system installed on a commercial unit may claim a tax credit
793 under this Subsection (4) if the taxpayer confirms that the lessor irrevocably elects
794 not to claim the tax credit.
- 795 (ii) A taxpayer described in Subsection (4)(c)(i) may claim as a tax credit under this
796 Subsection (4) only the principal recovery portion of the lease payments.
- 797 (iii) A taxpayer described in Subsection (4)(c)(i) may claim a tax credit under this
798 Subsection (4) for a period that does not exceed seven taxable years after the day
799 on which the lease begins, as stated in the lease agreement.
- 800 (5)(a) Subject to the other provisions of this Subsection (5), a taxpayer may claim a
801 refundable tax credit under this Subsection (5) with respect to a commercial energy
802 system if:
- 803 (i) the commercial energy system uses wind, geothermal electricity, or biomass
804 equipment capable of producing a total of 660 or more kilowatts of electricity;
- 805 (ii)(A) the commercial energy system supplies all or part of the energy required by
806 commercial units owned or used by the taxpayer; or
- 807 (B) the taxpayer sells all or part of the energy produced by the commercial energy
808 system as a commercial enterprise;
- 809 (iii) the taxpayer has not claimed and will not claim a tax credit under Subsection (7)

- 810 for hydrogen production using electricity for which the taxpayer claims a tax
811 credit under this Subsection (5); and
- 812 (iv) the taxpayer obtains a written certification from the office in accordance with
813 Subsection (8).
- 814 (b)(i) Subject to Subsection (5)(b)(ii), a tax credit under this Subsection (5) is equal
815 to the product of:
- 816 (A) 0.35 cents; and
817 (B) the kilowatt hours of electricity produced and used or sold during the taxable
818 year.
- 819 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (5) for
820 production occurring during a period of 48 months beginning with the month in
821 which the commercial energy system is placed in commercial service.
- 822 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
823 unit may claim a tax credit under this Subsection (5) if the taxpayer confirms that the
824 lessor irrevocably elects not to claim the tax credit.
- 825 (6)(a) Subject to the other provisions of this Subsection (6), a taxpayer may claim a
826 refundable tax credit as provided in this Subsection (6) if:
- 827 (i) the taxpayer owns a commercial energy system that uses solar equipment capable
828 of producing a total of 660 or more kilowatts of electricity;
- 829 (ii)(A) the commercial energy system supplies all or part of the energy required by
830 commercial units owned or used by the taxpayer; or
831 (B) the taxpayer sells all or part of the energy produced by the commercial energy
832 system as a commercial enterprise;
- 833 (iii) the taxpayer does not claim a tax credit under Subsection (4) and has not claimed
834 and will not claim a tax credit under Subsection (7) for hydrogen production using
835 electricity for which a taxpayer claims a tax credit under this Subsection (6); and
- 836 (iv) the taxpayer obtains a written certification from the office in accordance with
837 Subsection (8).
- 838 (b)(i) Subject to Subsection (6)(b)(ii), a tax credit under this Subsection (6) is equal
839 to the product of:
- 840 (A) 0.35 cents; and
841 (B) the kilowatt hours of electricity produced and used or sold during the taxable
842 year.
- 843 (ii) A taxpayer is eligible to claim a tax credit under this Subsection (6) for

- 844 production occurring during a period of 48 months beginning with the month in
845 which the commercial energy system is placed in commercial service.
- 846 (c) A taxpayer that is a lessee of a commercial energy system installed on a commercial
847 unit may claim a tax credit under this Subsection (6) if the taxpayer confirms that the
848 lessor irrevocably elects not to claim the tax credit.
- 849 (7)(a) A taxpayer may claim a refundable tax credit as provided in this Subsection (7) if:
- 850 (i) the taxpayer owns a hydrogen production system;
- 851 (ii) the hydrogen production system is completed and placed in service on or after
852 January 1, 2022;
- 853 (iii) the taxpayer sells as a commercial enterprise, or supplies for the taxpayer's own
854 use in commercial units, the hydrogen produced from the hydrogen production
855 system;
- 856 (iv) the taxpayer has not claimed and will not claim a tax credit under Subsection (4),
857 (5), or (6) or Section 59-7-626 for electricity or hydrogen used to meet the
858 requirements of this Subsection (7); and
- 859 (v) the taxpayer obtains a written certification from the office in accordance with
860 Subsection (8).
- 861 (b)(i) Subject to Subsections (7)(b)(ii) and (iii), a tax credit under this Subsection (7)
862 is equal to the product of:
- 863 (A) \$0.12; and
- 864 (B) the number of kilograms of hydrogen produced during the taxable year.
- 865 (ii) A taxpayer may not receive a tax credit under this Subsection (7) for more than
866 5,600 metric tons of hydrogen per taxable year.
- 867 (iii) A taxpayer is eligible to claim a tax credit under this Subsection (7) for
868 production occurring during a period of 48 months beginning with the month in
869 which the hydrogen production system is placed in commercial service.
- 870 (8)(a) Before a taxpayer may claim a tax credit under this section, the taxpayer shall
871 obtain a written certification from the office.
- 872 (b) The office shall issue a taxpayer a written certification if the office determines that:
- 873 (i) the taxpayer meets the requirements of this section to receive a tax credit; and
- 874 (ii) the residential energy system, the commercial energy system, or the hydrogen
875 production system with respect to which the taxpayer seeks to claim a tax credit:
876 (A) has been completely installed;
- 877 (B) is a viable system for saving or producing energy from clean resources; and

- 878 (C) is safe, reliable, efficient, and technically feasible to ensure that the residential
879 energy system, the commercial energy system, or the hydrogen production
880 system uses the state's clean and nonrenewable energy resources in an
881 appropriate and economic manner.
- 882 (c) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
883 office may make rules:
- 884 (i) for determining whether a residential energy system, a commercial energy system,
885 or a hydrogen production system meets the requirements of Subsection (8)(b)(ii);
886 and
- 887 (ii) for purposes of a tax credit under Subsection (3) or (4), establishing the
888 reasonable costs of a residential energy system or a commercial energy system, as
889 an amount per unit of energy production.
- 890 (d) A taxpayer that obtains a written certification from the office shall retain the
891 certification for the same time period a person is required to keep books and records
892 under Section 59-1-1406.
- 893 (e) The office shall submit to the commission an electronic list that includes:
- 894 (i) the name and identifying information of each taxpayer to which the office issues a
895 written certification; and
- 896 (ii) for each taxpayer:
- 897 (A) the amount of the tax credit listed on the written certification; and
898 (B) the date the clean energy system was installed.
- 899 (9) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
900 commission may make rules to address the certification of a tax credit under this section.
- 901 (10) A tax credit under this section is in addition to any tax credits provided under the laws
902 or rules and regulations of the United States.
- 903 (11) A taxpayer may not claim or carry forward a tax credit described in this section in a
904 taxable year during which the taxpayer claims or carries forward a tax credit under
905 Section 59-7-614.7.
- 906 Section 9. Section **59-7-614.10** is amended to read:
- 907 **59-7-614.10 (Effective 05/07/25) (Applies beginning 01/01/25). Nonrefundable**
908 **enterprise zone tax credit.**
- 909 (1) As used in this section:
- 910 (a) "Business entity" means a corporation that meets the definition of "business entity"
911 as that term is defined in Section 63N-2-202.

(b) "Office" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.

(2) Subject to the provisions of this section, for a taxable year beginning before January 1, 2025, a business entity may claim a nonrefundable enterprise zone tax credit as described in Section 63N-2-213.

(3) The enterprise zone tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to the business entity for the taxable year.

(4) A business entity may carry forward a tax credit under this section for a period that does not exceed the next three taxable years, if the amount of the tax credit exceeds the business entity's tax liability under this chapter for that taxable year.

(5)(a) In accordance with Section 59-7-159, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations concerning whether the tax credit should be continued, modified, or repealed.

(b)(i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required by this Subsection (5), the office shall provide by electronic means the following information for each calendar year to the Office of the Legislative Fiscal Analyst:

(A) the amount of tax credits provided in each development zone;

(B) the number of new full-time employee positions reported to obtain tax credits in each development zone;

(C) the amount of tax credits awarded for rehabilitating a building in each development zone;

(D) the amount of tax credits awarded for investing in a plant, equipment, or other depreciable property in each development zone;

(E) the information related to the tax credit contained in the office's latest report under Section 63N-1a-301; and

(F) any other information that the Office of the Legislative Fiscal Analyst requests.

(ii)(A) In providing the information described in Subsection (5)(b)(i), the office shall redact information that identifies a recipient of a tax credit under this section.

(B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A), reporting the information described in Subsection (5)(b)(i) might disclose the identity of a recipient of a tax credit, the office may file a request with the

Revenue and Taxation Interim Committee to provide the information described in Subsection (5)(b)(i) in the aggregate for all development zones that receive the tax credit under this section.

(c) As part of the study required by this Subsection (5), the Office of the Legislative Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a summary and analysis of the information provided to the Office of the Legislative Fiscal Analyst by the office under Subsection (5)(b).

(d) The Revenue and Taxation Interim Committee shall ensure that the recommendations described in Subsection (5)(a) include an evaluation of:

- (i) the cost of the tax credit to the state;
- (ii) the purpose and effectiveness of the tax credit; and
- (iii) the extent to which the state benefits from the tax credit.

Section 10. Section **59-10-104.1** is amended to read:

59-10-104.1 (Effective 01/01/26). Exemption from taxation.

(1) For purposes of this section:

(a) "Modified adjusted gross income" means the amount calculated by:

- (i) adding the individual's adjusted gross income on the individual's federal individual income tax return for the taxable year and any additions required by Section 59-10-114 for the taxable year; and
- (ii) subtracting from the amount calculated in accordance with Subsection (1)(a)(i), any subtractions required by Section 59-10-114 for the taxable year.

(b) "Personal exemptions" means the total exemption amount an individual is allowed to claim for the taxable year under Section 151, Internal Revenue Code, for:

- (i) the individual;
- (ii) the individual's spouse; and
- (iii) the individual's dependents.

~~[(b)]~~ (c) "Standard deduction":

- (i) means the standard deduction an individual is allowed to claim for the taxable year under Section 63, Internal Revenue Code; and
- (ii) notwithstanding Subsection ~~[(1)(b)(i)]~~ (1)(c)(i), does not include an additional amount allowed under Section 63(f), Internal Revenue Code, for an individual or an individual's spouse who is:
 - (A) blind; or
 - (B) 65 years of age or older.

(2) ~~[For taxable years beginning on or after January 1, 2002, an]~~ An individual is exempt from a tax imposed by Section 59-10-104 or 59-10-116 if the individual's ~~[adjusted gross income on the individual's federal individual income tax return for the taxable year]~~ modified adjusted gross income is less than or equal to the sum of the individual's:

- (a) personal exemptions for that taxable year; and
- (b) standard deduction for that taxable year.

Section 11. Section **59-10-114** is amended to read:

59-10-114 (Effective 01/01/26). Additions to and subtractions from adjusted gross income of an individual.

(1) There shall be added to adjusted gross income of a resident or nonresident individual:

- (a) a lump sum distribution that the taxpayer does not include in adjusted gross income on the taxpayer's federal individual income tax return for the taxable year;
- (b) the amount of a child's income calculated under Subsection (4) that:
 - (i) a parent elects to report on the parent's federal individual income tax return for the taxable year; and
 - (ii) the parent does not include in adjusted gross income on the parent's federal individual income tax return for the taxable year;
- (c)(i) a withdrawal from a medical care savings account and any penalty imposed for the taxable year if:
 - (A) the resident or nonresident individual does not deduct the amounts on the resident or nonresident individual's federal individual income tax return under Section 220, Internal Revenue Code;
 - (B) the withdrawal is subject to Subsections 31A-32a-105(1) and (2); and
 - (C) the withdrawal is subtracted on, or used as the basis for claiming a tax credit on, a return the resident or nonresident individual files under this chapter;
- (ii) a disbursement required to be added to adjusted gross income in accordance with Subsection 31A-32a-105(3); or
- (iii) an amount required to be added to adjusted gross income in accordance with Subsection 31A-32a-105(5)(c);
- (d) the amount withdrawn under Title 53B, Chapter 8a, Utah Educational Savings Plan, from the account of a resident or nonresident individual who is an account owner as defined in Section 53B-8a-102, for the taxable year for which the amount is withdrawn, if that amount withdrawn from the account of the resident or nonresident individual who is the account owner:

- 1014 (i) is not expended for:
- 1015 (A) higher education costs as defined in Section 53B-8a-102.5; or
- 1016 (B) a payment or distribution that qualifies as an exception to the additional tax
- 1017 for distributions not used for educational expenses provided in Sections 529(c)
- 1018 and 530(d), Internal Revenue Code; and
- 1019 (ii) is:
- 1020 (A) subtracted by the resident or nonresident individual:
- 1021 (I) who is the account owner; and
- 1022 (II) on the resident or nonresident individual's return filed under this chapter
- 1023 for a taxable year beginning on or before December 31, 2007; or
- 1024 (B) used as the basis for the resident or nonresident individual who is the account
- 1025 owner to claim a tax credit under Section 59-10-1017;
- 1026 (e) except as provided in Subsection (5), for bonds, notes, and other evidences of
- 1027 indebtedness acquired on or after January 1, 2003, the interest from bonds, notes, and
- 1028 other evidences of indebtedness:
- 1029 (i) issued by one or more of the following entities:
- 1030 (A) a state other than this state;
- 1031 (B) the District of Columbia;
- 1032 (C) a political subdivision of a state other than this state; or
- 1033 (D) an agency or instrumentality of an entity described in Subsections (1)(e)(i)(A)
- 1034 through (C); and
- 1035 (ii) to the extent the interest is not included in adjusted gross income on the taxpayer's
- 1036 federal income tax return for the taxable year;
- 1037 (f) subject to Subsection (2)(c), any distribution received by a resident beneficiary of a
- 1038 resident trust of income that was taxed at the trust level for federal tax purposes, but
- 1039 was subtracted from state taxable income of the trust pursuant to Subsection
- 1040 59-10-202(2)(b);
- 1041 (g) any distribution received by a resident beneficiary of a nonresident trust of
- 1042 undistributed distributable net income realized by the trust on or after January 1,
- 1043 2004, if that undistributed distributable net income was taxed at the trust level for
- 1044 federal tax purposes, but was not taxed at the trust level by any state, with
- 1045 undistributed distributable net income considered to be distributed from the most
- 1046 recently accumulated undistributed distributable net income;
- 1047 (h) any adoption expense:

- 1048 (i) for which a resident or nonresident individual receives reimbursement from
1049 another person; and
- 1050 (ii) to the extent to which the resident or nonresident individual subtracts that
1051 adoption expense:
- 1052 (A) on a return filed under this chapter for a taxable year beginning on or before
1053 December 31, 2007; or
- 1054 (B) from federal taxable income on a federal individual income tax return;
- 1055 (i) the amount of tax paid on income attributed to the individual in accordance with
1056 Subsection 59-10-1403.2(2) that is not included in adjusted gross income; and
- 1057 (j) the amount of tax paid:
- 1058 (i) on income attributed to the individual and taxable in this state, that is not included
1059 in adjusted gross income;
- 1060 (ii) to another state; and
- 1061 (iii) that the commission determines is substantially similar to the tax imposed under
1062 Subsection 59-10-1403.2(2).
- 1063 (2) There shall be subtracted from adjusted gross income of a resident or nonresident
1064 individual:
- 1065 (a) the difference between:
- 1066 (i) the interest or a dividend on an obligation or security of the United States or an
1067 authority, commission, instrumentality, or possession of the United States, to the
1068 extent that interest or dividend is:
- 1069 (A) included in adjusted gross income for federal income tax purposes for the
1070 taxable year; and
- 1071 (B) exempt from state income taxes under the laws of the United States; and
- 1072 (ii) any interest on indebtedness incurred or continued to purchase or carry the
1073 obligation or security described in Subsection (2)(a)(i);
- 1074 (b) if the conditions of Subsection (3)(a) are met, the amount of income derived by a Ute
1075 tribal member:
- 1076 (i) during a time period that the Ute tribal member resides on homesteaded land
1077 diminished from the Uintah and Ouray Reservation; and
- 1078 (ii) from a source within the Uintah and Ouray Reservation;
- 1079 (c) an amount received by a resident or nonresident individual or distribution received
1080 by a resident or nonresident beneficiary of a resident trust:
- 1081 (i) if that amount or distribution constitutes a refund of taxes imposed by:

- 1082 (A) a state; or
- 1083 (B) the District of Columbia; and
- 1084 (ii) to the extent that amount or distribution is included in adjusted gross income for
- 1085 that taxable year on the federal individual income tax return of the resident or
- 1086 nonresident individual or resident or nonresident beneficiary of a resident trust;
- 1087 (d) the amount of a railroad retirement benefit:
- 1088 (i) paid:
- 1089 (A) in accordance with The Railroad Retirement Act of 1974, 45 U.S.C. Sec. 231
- 1090 et seq.;
- 1091 (B) to a resident or nonresident individual; and
- 1092 (C) for the taxable year; and
- 1093 (ii) to the extent that railroad retirement benefit is included in adjusted gross income
- 1094 on that resident or nonresident individual's federal individual income tax return for
- 1095 that taxable year;
- 1096 (e) an amount:
- 1097 (i) received by an enrolled member of an American Indian tribe; and
- 1098 (ii) to the extent that the state is not authorized or permitted to impose a tax under this
- 1099 part on that amount in accordance with:
- 1100 (A) federal law;
- 1101 (B) a treaty; or
- 1102 (C) a final decision issued by a court of competent jurisdiction;
- 1103 (f) an amount received:
- 1104 (i) for the interest on a bond, note, or other obligation issued by an entity for which
- 1105 state statute provides an exemption of interest on its bonds from state individual
- 1106 income tax;
- 1107 (ii) by a resident or nonresident individual;
- 1108 (iii) for the taxable year; and
- 1109 (iv) to the extent the amount is included in adjusted gross income on the taxpayer's
- 1110 federal income tax return for the taxable year;
- 1111 (g) the amount of all income, including income apportioned to another state, of a
- 1112 nonmilitary spouse of an active duty military member if:
- 1113 (i) both the nonmilitary spouse and the active duty military member are nonresident
- 1114 individuals;
- 1115 (ii) the active duty military member is stationed in Utah;

- 1116 (iii) the nonmilitary spouse is subject to the residency provisions of 50 U.S.C. Sec.
 1117 4001(a)(2); and
- 1118 (iv) the income is included in adjusted gross income for federal income tax purposes
 1119 for the taxable year;
- 1120 ~~[(h) for a taxable year beginning on or after January 1, 2019, but beginning on or before~~
 1121 ~~December 31, 2019, only:]~~
- 1122 ~~[(i) the amount of any FDIC premium paid or incurred by the taxpayer that is~~
 1123 ~~disallowed as a deduction for federal income tax purposes under Section 162(r),~~
 1124 ~~Internal Revenue Code, on the taxpayer's 2018 federal income tax return; plus]~~
- 1125 ~~[(ii) the amount of any FDIC premium paid or incurred by the taxpayer that is~~
 1126 ~~disallowed as a deduction for federal income tax purposes under Section 162(r),~~
 1127 ~~Internal Revenue Code, for the taxable year;]~~
- 1128 ~~[(i)]~~ (h) ~~[for a taxable year beginning on or after January 1, 2020,]~~ the amount of any
 1129 FDIC premium paid or incurred by the taxpayer that is disallowed as a deduction for
 1130 federal income tax purposes under Section 162(r), Internal Revenue Code, for the
 1131 taxable year;~~[-and]~~
- 1132 ~~[(j)]~~ (i) an amount of a distribution from a qualified retirement plan under Section 401(a),
 1133 Internal Revenue Code, if:
- 1134 (i) the amount of the distribution is included in adjusted gross income on the resident
 1135 or nonresident individual's federal individual income tax return for the taxable
 1136 year; and
- 1137 (ii) for the taxable year when the amount of the distribution was contributed to the
 1138 qualified retirement plan, the amount of the distribution:
- 1139 (A) was not included in adjusted gross income on the resident or nonresident
 1140 individual's federal individual income tax return for the taxable year; and
- 1141 (B) was taxed by another state of the United States, the District of Columbia, or a
 1142 possession of the United States~~[-]~~ ; and
- 1143 (j) the amount of any repayment in the current taxable year of social security income
 1144 received in a previous taxable year if:
- 1145 (i) the individual claimed a credit for the repayment on the individual's federal
 1146 individual income tax return for the current taxable year; and
- 1147 (ii) the individual did not claim a tax credit under Section 59-10-1042 for the taxable
 1148 year in which the individual received the social security income.
- 1149 (3)(a) A subtraction for an amount described in Subsection (2)(b) is allowed only if:

- 1150 (i) the taxpayer is a Ute tribal member; and
- 1151 (ii) the governor and the Ute tribe execute and maintain an agreement meeting the
- 1152 requirements of this Subsection (3).
- 1153 (b) The agreement described in Subsection (3)(a):
- 1154 (i) may not:
- 1155 (A) authorize the state to impose a tax in addition to a tax imposed under this
- 1156 chapter;
- 1157 (B) provide a subtraction under this section greater than or different from the
- 1158 subtraction described in Subsection (2)(b); or
- 1159 (C) affect the power of the state to establish rates of taxation; and
- 1160 (ii) shall:
- 1161 (A) provide for the implementation of the subtraction described in Subsection
- 1162 (2)(b);
- 1163 (B) be in writing;
- 1164 (C) be signed by:
- 1165 (I) the governor; and
- 1166 (II) the chair of the Business Committee of the Ute tribe;
- 1167 (D) be conditioned on obtaining any approval required by federal law; and
- 1168 (E) state the effective date of the agreement.
- 1169 (c)(i) The governor shall report to the commission by no later than February 1 of each
- 1170 year regarding whether or not an agreement meeting the requirements of this
- 1171 Subsection (3) is in effect.
- 1172 (ii) If an agreement meeting the requirements of this Subsection (3) is terminated, the
- 1173 subtraction permitted under Subsection (2)(b) is not allowed for taxable years
- 1174 beginning on or after the January 1 following the termination of the agreement.
- 1175 (d) For purposes of Subsection (2)(b) and in accordance with Title 63G, Chapter 3, Utah
- 1176 Administrative Rulemaking Act, the commission may make rules:
- 1177 (i) for determining whether income is derived from a source within the Uintah and
- 1178 Ouray Reservation; and
- 1179 (ii) that are substantially similar to how adjusted gross income derived from Utah
- 1180 sources is determined under Section 59-10-117.
- 1181 (4)(a) For purposes of this Subsection (4), "Form 8814" means:
- 1182 (i) the federal individual income tax Form 8814, Parents' Election To Report Child's
- 1183 Interest and Dividends; or

- 1184 (ii)(A) a form designated by the commission in accordance with Subsection
1185 (4)(a)(ii)(B) as being substantially similar to 2000 Form 8814 if for purposes of
1186 federal individual income taxes the information contained on 2000 Form 8814
1187 is reported on a form other than Form 8814; and
1188 (B) for purposes of Subsection (4)(a)(ii)(A) and in accordance with Title 63G,
1189 Chapter 3, Utah Administrative Rulemaking Act, the commission may make
1190 rules designating a form as being substantially similar to 2000 Form 8814 if for
1191 purposes of federal individual income taxes the information contained on 2000
1192 Form 8814 is reported on a form other than Form 8814.
- 1193 (b) The amount of a child's income added to adjusted gross income under Subsection
1194 (1)(b) is equal to the difference between:
1195 (i) the lesser of:
1196 (A) the base amount specified on Form 8814; and
1197 (B) the sum of the following reported on Form 8814:
1198 (I) the child's taxable interest;
1199 (II) the child's ordinary dividends; and
1200 (III) the child's capital gain distributions; and
1201 (ii) the amount not taxed that is specified on Form 8814.
- 1202 (5) Notwithstanding Subsection (1)(e), interest from bonds, notes, and other evidences of
1203 indebtedness issued by an entity described in Subsections (1)(e)(i)(A) through (D) may
1204 not be added to adjusted gross income of a resident or nonresident individual if, as
1205 annually determined by the commission:
1206 (a) for an entity described in Subsection (1)(e)(i)(A) or (B), the entity and all of the
1207 political subdivisions, agencies, or instrumentalities of the entity do not impose a tax
1208 based on income on any part of the bonds, notes, and other evidences of indebtedness
1209 of this state; or
1210 (b) for an entity described in Subsection (1)(e)(i)(C) or (D), the following do not impose
1211 a tax based on income on any part of the bonds, notes, and other evidences of
1212 indebtedness of this state:
1213 (i) the entity; or
1214 (ii)(A) the state in which the entity is located; or
1215 (B) the District of Columbia, if the entity is located within the District of
1216 Columbia.
- 1217 Section 12. Section **59-10-510** is amended to read:

59-10-510 (Effective 01/01/26). Return of electing small business corporation.

An electing small business corporation, as defined in Section [1371(a)(2)] 1362, Internal Revenue Code, shall make a return for each taxable year, stating specifically:

- (1) the items of the electing small business corporation's gross income and the deductions allowable by Subtitle A, Internal Revenue Code;
- (2) the names and addresses of all persons owning stock in the electing small business corporation at any time during the taxable year;
- (3) the number of shares of stock owned by each shareholder at all times during the taxable year to each shareholder;
- (4) the date of each distribution to a shareholder; and
- (5) other information as the commission may prescribe by:
 - (a) form; or
 - (b) administrative rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

Section 13. Section **59-10-1037** is amended to read:

59-10-1037 (Effective 05/07/25) (Applies beginning 01/01/25). Nonrefundable enterprise zone tax credit.

- (1) As used in this section:
 - (a) "Business entity" means a claimant, estate, or trust that meets the definition of "business entity" as that term is defined in Section 63N-2-202.
 - (b) "Office" means the Governor's Office of Economic Opportunity created in Section 63N-1a-301.
- (2) Subject to the provisions of this section, for a taxable year beginning before January 1, 2025, a business entity may claim a nonrefundable enterprise zone tax credit as described in Section 63N-2-213.
- (3) The enterprise zone tax credit under this section is the amount listed as the tax credit amount on the tax credit certificate that the office issues to the business entity for the taxable year.
- (4) A business entity may carry forward a tax credit under this section for a period that does not exceed the next three taxable years, if the amount of the tax credit exceeds the business entity's tax liability under this chapter for that taxable year.
- (5)(a) In accordance with Section 59-10-137, the Revenue and Taxation Interim Committee shall study the tax credit allowed by this section and make recommendations concerning whether the tax credit should be continued, modified,

1252 or repealed.

1253 (b)(i) Except as provided in Subsection (5)(b)(ii), for purposes of the study required
1254 by this Subsection (5), the office shall provide by electronic means the following
1255 information, if available to the office, for each calendar year to the Office of the
1256 Legislative Fiscal Analyst:

1257 (A) the amount of tax credits provided in each development zone;

1258 (B) the number of new full-time employee positions reported to obtain tax credits
1259 in each development zone;

1260 (C) the amount of tax credits awarded for rehabilitating a building in each
1261 development zone;

1262 (D) the amount of tax credits awarded for investing in a plant, equipment, or other
1263 depreciable property in each development zone;

1264 (E) the information related to the tax credit contained in the office's latest report
1265 under Section 63N-1a-306; and

1266 (F) other information that the Office of the Legislative Fiscal Analyst requests.

1267 (ii)(A) In providing the information described in Subsection (5)(b)(i), the office
1268 shall redact information that identifies a recipient of a tax credit under this
1269 section.

1270 (B) If, notwithstanding the redactions made under Subsection (5)(b)(ii)(A),
1271 reporting the information described in Subsection (5)(b)(i) might disclose the
1272 identity of a recipient of a tax credit, the office may file a request with the
1273 Revenue and Taxation Interim Committee to provide the information described
1274 in Subsection (5)(b)(i) in the aggregate for all development zones that receive
1275 the tax credit under this section.

1276 (c) As part of the study required by this Subsection (5), the Office of the Legislative
1277 Fiscal Analyst shall report to the Revenue and Taxation Interim Committee a
1278 summary and analysis of the information provided to the Office of the Legislative
1279 Fiscal Analyst by the office under Subsection (5)(b).

1280 (d) The Revenue and Taxation Interim Committee shall ensure that the
1281 recommendations described in Subsection (5)(a) include an evaluation of:

1282 (i) the cost of the tax credit to the state;

1283 (ii) the purpose and effectiveness of the tax credit; and

1284 (iii) the extent to which the state benefits from the tax credit.

1285 Section 14. Section **59-10-1042** is amended to read:

- 1286 **59-10-1042 (Effective 01/01/26). Nonrefundable tax credit for social security**
1287 **benefits.**
- 1288 (1) As used in this section:
- 1289 (a) "Head of household filing status" means the same as that term is defined in Section
1290 59-10-1018.
- 1291 (b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.
- 1292 (c) "Married filing separately status" means a married individual who:
- 1293 (i) does not file a single federal individual income tax return jointly with that married
1294 individual's spouse for the taxable year; and
- 1295 (ii) files a single federal individual income tax return for the taxable year.
- 1296 (d) "Modified adjusted gross income" means the sum of the following for a claimant or,
1297 if the claimant's return under this chapter is allowed a joint filing status, the claimant
1298 and the claimant's spouse:
- 1299 (i) adjusted gross income for the taxable year for which a tax credit is claimed under
1300 this section;
- 1301 (ii) any interest income that is not included in adjusted gross income for the taxable
1302 year described in Subsection (1)(d)(i); and
- 1303 (iii) any addition to adjusted gross income required by Section 59-10-114 for the
1304 taxable year described in Subsection (1)(d)(i).
- 1305 (e) "Single filing status" means a single individual who files a single federal individual
1306 income tax return for the taxable year.
- 1307 (f) "Social security benefit" means an amount received by a claimant as a monthly
1308 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.
- 1309 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), each claimant
1310 on a return that receives a social security benefit may claim a nonrefundable tax credit
1311 against taxes otherwise due under this part equal to the product of:
- 1312 (a) the percentage listed in Subsection 59-10-104(2); and
- 1313 (b) the claimant's social security benefit that is included in adjusted gross income on the
1314 claimant's federal income tax return for the taxable year.
- 1315 (3) A claimant may not:
- 1316 (a) carry forward or carry back the amount of a tax credit under this section that exceeds
1317 the claimant's tax liability for the taxable year; or
- 1318 (b) claim a tax credit under this section for a taxable year if a tax credit under Section
1319 59-10-1019 is claimed on the claimant's return for the same taxable year.

- (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part shall be reduced by \$.025 for each dollar by which modified adjusted gross income for purposes of the return exceeds:
- (a) for a ~~[federal individual income tax]~~ return filed under this chapter that is allowed a married filing separately status, \$37,500;
 - (b) for a ~~[federal individual income tax]~~ return filed under this chapter that is allowed a single filing status, \$45,000;
 - (c) for a ~~[federal individual income tax]~~ return filed under this chapter that is allowed a head of household filing status, \$75,000; or
 - (d) for a return filed under this chapter that is allowed a joint filing status, \$75,000.
- (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules governing the calculation and method for claiming the tax credit described in this section.

Section 15. Section **59-10-1045** is amended to read:

59-10-1045 (Effective 01/01/26) (Applies beginning 01/01/25). Nonrefundable tax credit for taxes paid by pass-through entity.

- (1) As used in this section, "taxed pass-through entity taxpayer" means a resident or nonresident individual who:
- (a) has income attributed to the individual by a pass-through entity;
 - (b) receives the income described in Subsection (1)(a) after the pass-through entity pays the tax described in Subsection 59-10-1403.2(2); and
 - (c) adds the amount of tax paid on the income described in Subsection (1)(a) to adjusted gross income in accordance with Subsection 59-10-114(1)(i).
- (2)(a) A taxed pass-through entity taxpayer may claim a nonrefundable tax credit for the taxes imposed under Subsection 59-10-1403.2(2).
- (b) The tax credit is equal to the amount of the tax paid under Subsection 59-10-1403.2(2) by the pass-through entity on the income attributed to the taxed pass-through entity taxpayer.
- (3)(a) A taxed pass-through entity taxpayer may carry forward the amount of the tax credit that exceeds the taxed pass-through entity taxpayer's tax liability for a period that does not exceed the next ~~[five]~~ ten taxable years.
- (b) A taxed pass-through entity taxpayer may not carry back the amount of the tax credit that exceeds the taxed pass-through entity taxpayer's tax liability for the taxable year.

Section 16. Section **59-10-1102.2** is enacted to read:

59-10-1102.2 (Effective 05/07/25) (Applies beginning 01/01/25). Removal of tax credit from tax return and prohibition on claiming a tax credit -- Conditions for removal and prohibition on claiming a tax credit -- Commission publishing requirements.

- (1) As used in this section, "tax return" means a tax return filed in accordance with this chapter.
- (2) Beginning two taxable years after the requirements of Subsection (3) are met:
- (a) the commission shall remove a tax credit allowed under this part from each tax return on which the tax credit appears; and
 - (b) a claimant, estate, or trust filing a tax return may not claim the tax credit.
- (3) The commission shall remove a tax credit allowed under this part from a tax return and a claimant, estate, or trust filing a tax return may not claim the tax credit as provided in Subsection (2) if:
- (a) the total amount of the tax credit claimed by all claimants, estates, or trusts filing tax returns is less than \$10,000 per year for three consecutive taxable years beginning on or after January 1, 2025; and
 - (b) fewer than 10 claimants, estates, and trusts per year for the three consecutive taxable years described in Subsection (3)(a), file a tax return claiming the tax credit.
- (4) On or before the November interim meeting of the year after the taxable year in which the requirements of Subsection (3) are met, the commission shall report to the Revenue and Taxation Interim Committee by electronic means that in accordance with this section:
- (a) the commission is required to remove a tax credit from each tax return on which the tax credit appears; and
 - (b) a claimant, estate, or trust filing a tax return may not claim the tax credit.
- (5)(a) Within a 30-day period after the day on which the commission makes the report required by Subsection (4), the commission shall publish a list in accordance with Subsection (5)(b) stating each tax credit that the commission will remove from a return on which the tax credit appears.
- (b) The list shall:
- (i) be published on:
 - (A) the commission's website; and
 - (B) the public legal notice website in accordance with Section 45-1-101;
 - (ii) include a statement that:
 - (A) the commission is required to remove the tax credit from each return on which

the tax credit appears; and

(B) the tax credit may not be claimed on a return;

(iii) state the taxable year for which the removal described in Subsection (5)(a) takes effect; and

(iv) remain available for viewing and searching until the commission publishes a new list in accordance with this Subsection (5).

Section 17. Section **63I-2-259** is amended to read:

63I-2-259 (Effective 05/07/25). Repeal dates: Title 59.

(1) Subsection 59-7-159(3)(b)(iii), referencing Section 59-7-614.10, is repealed December 31, 2026.

~~[(1)]~~ (2) Subsection 59-7-610(8), regarding claiming a tax credit in the same taxable year as the targeted business income tax credit, is repealed December 31, 2024.

(3) Section 59-7-614.10, Nonrefundable enterprise zone tax credit, is repealed December 31, 2026.

~~[(2)]~~ (4) Subsection 59-7-614.10(5), regarding claiming a tax credit in the same taxable year as the targeted business income tax credit, is repealed December 31, 2024.

~~[(3)]~~ (5) Section 59-7-624, Targeted business income tax credit, is repealed December 31, 2024.

(6) Subsection 59-10-137(3)(b)(viii), referencing Section 59-10-1037, is repealed December 31, 2026.

~~[(4)]~~ (7) Subsection 59-10-210(2)(b)(vi), regarding Section 59-10-1112, is repealed December 31, 2024.

~~[(5)]~~ (8) Subsection 59-10-1007(8), regarding claiming a tax credit in the same taxable year as the targeted business income tax credit, is repealed December 31, 2024.

(9) Section 59-10-1037, Nonrefundable enterprise zone tax credit, is repealed December 31, 2026.

~~[(6)]~~ (10) Subsection 59-10-1037(5), regarding claiming a tax credit in the same taxable year as the targeted business income tax credit, is repealed December 31, 2024.

~~[(7)]~~ (11) Section 59-10-1112, Targeted business income tax credit, is repealed December 31, 2024.

Section 18. Section **63I-2-263** is amended to read:

63I-2-263 (Effective 05/07/25). Repeal dates: Titles 63A through 63O.

(1) Title 63A, Chapter 2, Part 5, Educational Interpretation and Translation Services Procurement Advisory Council is repealed July 1, 2025.

- (2) Section 63A-17-806, Definitions -- Infant at Work Pilot Program -- Administration -- Report, is repealed June 30, 2026.
- (3) Section 63C-1-103, Appointment and terms of boards, committees, councils, and commissions transitioning on October 1, 2024, or December 31, 2024, is repealed July 1, 2025.
- (4) Section 63C-1-104, Appointment and terms of boards transitioning on October 1, 2024, is repealed January 1, 2025.
- (5) Title 63C, Chapter 29, Domestic Violence Data Task Force, is repealed October 1, 2024.
- (6) Subsection 63G-6a-802(1)(e), regarding a procurement for a presidential debate, is repealed January 1, 2025.
- (7) Subsection 63G-6a-802(3)(b)(iii), regarding a procurement for a presidential debate, is repealed January 1, 2025.
- (8) Subsection 63H-7a-403(2)(b), regarding the charge to maintain the public safety communications network, is repealed July 1, 2033.
- (9) Subsection 63J-1-602.2(3), regarding funding the Enterprise Zone Act, is repealed December 31, 2026.
- ~~[(9)]~~ (10) Subsection 63J-1-602.2(47), regarding appropriations to the State Tax Commission for deferral reimbursements, is repealed July 1, 2027.
- ~~[(10)]~~ (11) Section 63M-7-221, Expungement working group, is repealed April 30, 2025.
- ~~[(11)]~~ (12) Section 63M-7-504, Crime Victim Reparations and Assistance Board -- Members, is repealed December 31, 2024.
- ~~[(12)]~~ (13) Section 63M-7-505, Board and office within Commission on Criminal and Juvenile Justice, is repealed December 31, 2024.
- ~~[(13)]~~ (14) Title 63M, Chapter 7, Part 6, Utah Council on Victims of Crime, is repealed December 31, 2024.
- ~~[(14)]~~ (15) Subsection 63N-2-213(12)(a), regarding claiming a tax credit in the same taxable year as the targeted business income tax credit, is repealed December 31, 2024.
- (16) Title 63N, Chapter 2, Part 2, Enterprise Zone Act, is repealed December 31, 2026.
- ~~[(15)]~~ (17) Title 63N, Chapter 2, Part 3, Targeted Business Income Tax Credit in an Enterprise Zone, is repealed December 31, 2024.
- Section 19. **Effective Date.**
- (1) Except as provided in Subsection (2), this bill takes effect on May 7, 2025.
- (2) The actions affecting the following sections take effect for a taxable year beginning on or after January 1, 2026:

- 1456 (a) Section 19-12-203 (Effective 01/01/26);
1457 (b) Section 59-1-402 (Effective 01/01/26);
1458 (c) Section 59-1-1801 (Effective 01/01/26);
1459 (d) Section 59-1-1802 (Effective 01/01/26);
1460 (e) Section 59-10-104.1 (Effective 01/01/26);
1461 (f) Section 59-10-114 (Effective 01/01/26);
1462 (g) Section 59-10-510 (Effective 01/01/26); and
1463 (h) Section 59-10-1042 (Effective 01/01/26).

1464 Section 20. **Retrospective operation.**

1465 The following sections have retrospective operation for a taxable year beginning on or
1466 after January 1, 2025:

- 1467 (1) Section 59-7-614;
1468 (2) Section 59-7-614.10;
1469 (3) Section 59-10-1037;
1470 (4) Section 59-10-1045; and
1471 (5) Section 59-10-1102.2.