

1 **CHILD TAX CREDIT REVISIONS**

2 2023 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Susan Pulsipher**

5 **Senate Sponsor: Daniel McCay**

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7 **LONG TITLE**

8 **General Description:**

9 This bill enacts a child tax credit.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ enacts a nonrefundable child tax credit; and
- 13 ▶ provides for apportionment of the child tax credit.

14 **Money Appropriated in this Bill:**

15 None

16 **Other Special Clauses:**

17 This bill provides a special effective date.

18 **Utah Code Sections Affected:**

19 AMENDS:

20 **59-10-1002.2**, as last amended by Laws of Utah 2022, Chapter 12

21 ENACTS:

22 **59-10-1046**, Utah Code Annotated 1953

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

25 Section 1. Section **59-10-1002.2** is amended to read:

26 **59-10-1002.2. Apportionment of tax credits.**

27 (1) A nonresident individual or a part-year resident individual that claims a tax credit  
28 in accordance with Section **59-10-1017**, **59-10-1018**, **59-10-1019**, **59-10-1022**, **59-10-1023**,  
29 **59-10-1024**, **59-10-1028**, **59-10-1042**, **59-10-1043**, [or] **59-10-1044**, or **59-10-1046** may only

30 claim an apportioned amount of the tax credit equal to:

31 (a) for a nonresident individual, the product of:

32 (i) the state income tax percentage for the nonresident individual; and

33 (ii) the amount of the tax credit that the nonresident individual would have been

34 allowed to claim but for the apportionment requirements of this section; or

35 (b) for a part-year resident individual, the product of:

36 (i) the state income tax percentage for the part-year resident individual; and

37 (ii) the amount of the tax credit that the part-year resident individual would have been

38 allowed to claim but for the apportionment requirements of this section.

39 (2) A nonresident estate or trust that claims a tax credit in accordance with Section

40 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#), [59-10-1024](#), or [59-10-1028](#) may only claim an

41 apportioned amount of the tax credit equal to the product of:

42 (a) the state income tax percentage for the nonresident estate or trust; and

43 (b) the amount of the tax credit that the nonresident estate or trust would have been

44 allowed to claim but for the apportionment requirements of this section.

45 Section 2. Section **59-10-1046** is enacted to read:

46 **59-10-1046. Nonrefundable child tax credit.**

47 (1) As used in this section:

48 (a) "Joint filing status" means the same as that term is defined in Section [59-10-1018](#).

49 (b) "Head of household filing status" means the same as that term is defined in Section

50 [59-10-1018](#).

51 (c) "Married filing separately status" means a married individual who:

52 (i) does not file a single federal individual income tax return jointly with that married

53 individual's spouse for the taxable year; and

54 (ii) files a single federal individual income tax return for the taxable year.

55 (d) "Modified adjusted gross income" means the sum of the following for a claimant

56 or, if the claimant's federal individual income tax return is allowed a joint filing status, the

57 claimant and the claimant's spouse:

58 (i) adjusted gross income for the taxable year for which a tax credit is claimed under  
59 this section;

60 (ii) any interest income that is not included in adjusted gross income for the taxable  
61 year described in Subsection (1)(d)(i); and

62 (iii) any addition to adjusted gross income required by Section 59-10-114 for the  
63 taxable year described in Subsection (1)(d)(i).

64 (e) "Qualifying child" means an individual:

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

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

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

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

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

76 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part  
77 shall be reduced by \$.10 for each dollar by which modified adjusted gross income for purposes  
78 of the return exceeds:

79 (a) for a federal individual income tax return that is allowed a married filing separately  
80 status, \$27,000;

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

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

85 Section 3. **Effective date.**

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