

Representative Rebecca P. Edwards proposes the following substitute bill:

PAID FAMILY AND MEDICAL LEAVE TAX CREDIT

2018 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Rebecca P. Edwards

Senate Sponsor: Lincoln Fillmore

6	Cosponsors:	Stephen G. Handy	Douglas V. Sagers
7	Cheryl K. Acton	Sandra Hollins	Robert M. Spendlove
8	Carl R. Albrecht	Eric K. Hutchings	Raymond P. Ward
9	Patrice M. Arent	Brian S. King	Christine F. Watkins
10	Joel K. Briscoe	Karen Kwan	R. Curt Webb
11	Walt Brooks	Carol Spackman Moss	Elizabeth Weight
12	Rebecca Chavez-Houck	Michael E. Noel	John R. Westwood
13	Brad M. Daw	Lee B. Perry	Mark A. Wheatley
14	Susan Duckworth	Marie H. Poulson	Mike Winder
15	Steve Eliason	Paul Ray	
16	Gage Froerer	Angela Romero	



LONG TITLE

General Description:

This bill creates a tax credit for employers offering paid family and medical leave.

Highlighted Provisions:

This bill:

- ▶ permits a taxpayer for a taxable year to claim a nonrefundable tax credit equal to 5% of the amount the taxpayer is allowed to claim under the federal employer tax credit



25 for paid family and medical leave;

26 ▶ permits a taxpayer to carry forward a paid family and medical leave tax credit for
27 five years;

28 ▶ requires the Revenue and Taxation Interim Committee to conduct a review of the
29 paid family and medical leave tax credit in 2020; and

30 ▶ makes technical and conforming changes.

31 **Money Appropriated in this Bill:**

32 None

33 **Other Special Clauses:**

34 None

35 **Utah Code Sections Affected:**

36 AMENDS:

37 **59-7-159**, as enacted by Laws of Utah 2016, Third Special Session, Chapter 1

38 **59-10-137**, as enacted by Laws of Utah 2016, Third Special Session, Chapter 1

39 ENACTS:

40 **59-7-623**, Utah Code Annotated 1953

41 **59-10-1041**, Utah Code Annotated 1953



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

44 Section 1. Section **59-7-159** is amended to read:

45 **59-7-159. Review of credits allowed under this chapter.**

46 (1) As used in this section, "committee" means the Revenue and Taxation Interim
47 Committee.

48 (2) (a) The committee shall review the tax credits described in this chapter as provided
49 in Subsection (3) and make recommendations concerning whether the tax credits should be
50 continued, modified, or repealed.

51 (b) In conducting the review required under Subsection (2)(a), the committee shall:

52 (i) schedule time on at least one committee agenda to conduct the review;

53 (ii) invite state agencies, individuals, and organizations concerned with the tax credit
54 under review to provide testimony;

55 (iii) (A) invite the Governor's Office of Economic Development to present a summary

56 and analysis of the information for each tax credit regarding which the Governor's Office of
57 Economic Development is required to make a report under this chapter; and

58 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and
59 analysis of the information for each tax credit regarding which the Office of the Legislative
60 Fiscal Analyst is required to make a report under this chapter;

61 (iv) ensure that the committee's recommendations described in this section include an
62 evaluation of:

63 (A) the cost of the tax credit to the state;

64 (B) the purpose and effectiveness of the tax credit; and

65 (C) the extent to which the state benefits from the tax credit; and

66 (v) undertake other review efforts as determined by the committee chairs or as
67 otherwise required by law.

68 (3) (a) On or before November 30, 2017, and every three years after 2017, the
69 committee shall conduct the review required under Subsection (2) of the tax credits allowed
70 under the following sections:

71 (i) Section 59-7-601;

72 (ii) Section 59-7-607;

73 (iii) Section 59-7-612;

74 (iv) Section 59-7-614.1; and

75 (v) Section 59-7-614.5.

76 (b) On or before November 30, 2018, and every three years after 2018, the committee
77 shall conduct the review required under Subsection (2) of the tax credits allowed under the
78 following sections:

79 (i) Section 59-7-609;

80 (ii) Section 59-7-614.2;

81 (iii) Section 59-7-614.10;

82 (iv) Section 59-7-617;

83 (v) Section 59-7-619; and

84 (vi) Section 59-7-620.

85 (c) On or before November 30, 2019, and every three years after 2019, the committee
86 shall conduct the review required under Subsection (2) of the tax credits allowed under the

87 following sections:

88 (i) Section [59-7-605](#);

89 (ii) Section [59-7-610](#);

90 (iii) Section [59-7-614](#);

91 (iv) Section [59-7-614.7](#);

92 (v) Section [59-7-614.8](#); and

93 (vi) Section [59-7-618](#).

94 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall
95 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,
96 2017.

97 (ii) ~~[The]~~ Except as provided in Subsection (3)(d)(iii), the committee shall complete a
98 review described in [this] Subsection (3)(d)(i) three years after the effective date of the tax
99 credit and every three years after the initial review date.

100 (iii) The committee shall complete a review described in Subsection (3)(d)(i) for the
101 tax credit described in Section [59-7-623](#):

102 (A) two years after the effective date of the tax credit; and

103 (B) if the tax credit remains in effect, every three years after the date described in
104 Subsection (3)(d)(iii)(A).

105 Section 2. Section **59-7-623** is enacted to read:

106 **59-7-623. Nonrefundable tax credit for paid family and medical leave.**

107 (1) As used in this section:

108 (a) "Federal employer tax credit for paid family and medical leave" means the amount
109 of the general business credit a taxpayer is allowed to claim for a taxable year under Section
110 45S, Internal Revenue Code.

111 (b) "General business credit" means the business credit described in Section 38,
112 Internal Revenue Code.

113 (2) For a taxable year beginning on or after January 1, 2018, but beginning on or before
114 December 31, 2019, a taxpayer may claim a nonrefundable tax credit equal to 5% of the federal
115 employer tax credit for paid family and medical leave.

116 (3) A taxpayer may carry forward for five years the amount of the tax credit described
117 in this section that exceeds the taxpayer's liability.

118 Section 3. Section 59-10-137 is amended to read:

119 **59-10-137. Review of credits allowed under this chapter.**

120 (1) As used in this section, "committee" means the Revenue and Taxation Interim
121 Committee.

122 (2) (a) The committee shall review the tax credits described in this chapter as provided
123 in Subsection (3) and make recommendations concerning whether the tax credits should be
124 continued, modified, or repealed.

125 (b) In conducting the review required under Subsection (2)(a), the committee shall:

126 (i) schedule time on at least one committee agenda to conduct the review;

127 (ii) invite state agencies, individuals, and organizations concerned with the tax credit
128 under review to provide testimony;

129 (iii) (A) invite the Governor's Office of Economic Development to present a summary
130 and analysis of the information for each tax credit regarding which the Governor's Office of
131 Economic Development is required to make a report under this chapter; and

132 (B) invite the Office of the Legislative Fiscal Analyst to present a summary and
133 analysis of the information for each tax credit regarding which the Office of the Legislative
134 Fiscal Analyst is required to make a report under this chapter;

135 (iv) ensure that the committee's recommendations described in this section include an
136 evaluation of:

137 (A) the cost of the tax credit to the state;

138 (B) the purpose and effectiveness of the tax credit; and

139 (C) the extent to which the state benefits from the tax credit; and

140 (v) undertake other review efforts as determined by the committee chairs or as
141 otherwise required by law.

142 (3) (a) On or before November 30, 2017, and every three years after 2017, the
143 committee shall conduct the review required under Subsection (2) of the tax credits allowed
144 under the following sections:

145 (i) Section 59-10-1004;

146 (ii) Section 59-10-1010;

147 (iii) Section 59-10-1015;

148 (iv) Section 59-10-1025;

- 149 (v) Section 59-10-1027;
- 150 (vi) Section 59-10-1031;
- 151 (vii) Section 59-10-1032;
- 152 (viii) Section 59-10-1035;
- 153 (ix) Section 59-10-1104;
- 154 (x) Section 59-10-1105; and
- 155 (xi) Section 59-10-1108.

156 (b) On or before November 30, 2018, and every three years after 2018, the committee
157 shall conduct the review required under Subsection (2) of the tax credits allowed under the
158 following sections:

- 159 (i) Section 59-10-1005;
- 160 (ii) Section 59-10-1006;
- 161 (iii) Section 59-10-1012;
- 162 (iv) Section 59-10-1013;
- 163 (v) Section 59-10-1022;
- 164 (vi) Section 59-10-1023;
- 165 (vii) Section 59-10-1028;
- 166 (viii) Section 59-10-1034;
- 167 (ix) Section 59-10-1037; and
- 168 (x) Section 59-10-1107.

169 (c) On or before November 30, 2019, and every three years after 2019, the committee
170 shall conduct the review required under Subsection (2) of the tax credits allowed under the
171 following sections:

- 172 (i) Section 59-10-1007;
- 173 (ii) Section 59-10-1009;
- 174 (iii) Section 59-10-1014;
- 175 (iv) Section 59-10-1017;
- 176 (v) Section 59-10-1018;
- 177 (vi) Section 59-10-1019;
- 178 (vii) Section 59-10-1024;
- 179 (viii) Section 59-10-1029;

- 180 (ix) Section [59-10-1030](#);
181 (x) Section [59-10-1033](#);
182 (xi) Section [59-10-1036](#);
183 (xii) Section [59-10-1106](#); and
184 (xiii) Section [59-10-1111](#).

185 (d) (i) In addition to the reviews described in this Subsection (3), the committee shall
186 conduct a review of a tax credit described in this chapter that is enacted on or after January 1,
187 2017.

188 (ii) ~~[The]~~ Except as provided in Subsection (3)(d)(iii), the committee shall complete a
189 review described in [this] Subsection (3)(d)(i) three years after the effective date of the tax
190 credit and every three years after the initial review date.

191 (iii) The committee shall complete a review described in Subsection (3)(d)(i) for the
192 tax credit described in Section [59-10-1041](#):

193 (A) two years after the effective date of the tax credit; and

194 (B) if the tax credit remains in effect, every three years after the date described in
195 Subsection (3)(d)(iii)(A).

196 Section 4. Section **59-10-1041** is enacted to read:

197 **59-10-1041. Nonrefundable tax credit for paid family and medical leave.**

198 (1) As used in this section:

199 (a) "Federal employer tax credit for paid family and medical leave" means the amount
200 of the general business credit a taxpayer is allowed to claim for a taxable year under Section
201 45S, Internal Revenue Code.

202 (b) "General business credit" means the business credit described in Section 38,
203 Internal Revenue Code.

204 (2) For a taxable year beginning on or after January 1, 2018, but beginning on or before
205 December 31, 2019, a taxpayer may claim a nonrefundable tax credit equal to 5% of the federal
206 employer tax credit for paid family and medical leave.

207 (3) A taxpayer may carry forward for five years the amount of the tax credit described
208 in this section that exceeds the taxpayer's liability.