

**IMPUTED INCOME AMENDMENTS**

2017 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Jacob L. Anderegg**

House Sponsor: \_\_\_\_\_

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**LONG TITLE**

**General Description:**

This bill amends provisions related to child support.

**Highlighted Provisions:**

This bill:

- ▶ provides that income may not be imputed to a parent with no recent work history and occupational qualifications; and
- ▶ makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**78B-12-203**, as last amended by Laws of Utah 2012, Chapter 41

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

Section 1. Section **78B-12-203** is amended to read:

**78B-12-203. Determination of gross income -- Imputed income.**

(1) As used in the guidelines, "gross income" includes prospective income from any source, including earned and nonearned income sources which may include salaries, wages,



28 commissions, royalties, bonuses, rents, gifts from anyone, prizes, dividends, severance pay,  
29 pensions, interest, trust income, alimony from previous marriages, annuities, capital gains,  
30 Social Security benefits, workers' compensation benefits, unemployment compensation,  
31 income replacement disability insurance benefits, and payments from "nonmeans-tested"  
32 government programs.

33 (2) Income from earned income sources is limited to the equivalent of one full-time  
34 40-hour job. If and only if during the time prior to the original support order, the parent  
35 normally and consistently worked more than 40 hours at the parent's job, the court may  
36 consider this extra time as a pattern in calculating the parent's ability to provide child support.

37 (3) Notwithstanding Subsection (1), specifically excluded from gross income are:

38 (a) cash assistance provided under Title 35A, Chapter 3, Part 3, Family Employment  
39 Program;

40 (b) benefits received under a housing subsidy program, the Job Training Partnership  
41 Act, Supplemental Security Income, Social Security Disability Insurance, Medicaid, SNAP  
42 benefits, or General Assistance; and

43 (c) other similar means-tested welfare benefits received by a parent.

44 (4) (a) Gross income from self-employment or operation of a business shall be  
45 calculated by subtracting necessary expenses required for self-employment or business  
46 operation from gross receipts. The income and expenses from self-employment or operation of  
47 a business shall be reviewed to determine an appropriate level of gross income available to the  
48 parent to satisfy a child support award. Only those expenses necessary to allow the business to  
49 operate at a reasonable level may be deducted from gross receipts.

50 (b) Gross income determined under this subsection may differ from the amount of  
51 business income determined for tax purposes.

52 (5) (a) When possible, gross income should first be computed on an annual basis and  
53 then recalculated to determine the average gross monthly income.

54 (b) Each parent shall provide verification of current income. Each parent shall provide  
55 year-to-date pay stubs or employer statements and complete copies of tax returns from at least  
56 the most recent year unless the court finds the verification is not reasonably available.  
57 Verification of income from records maintained by the Department of Workforce Services may  
58 be substituted for pay stubs, employer statements, and income tax returns.

59 (c) Historical and current earnings shall be used to determine whether an  
60 underemployment or overemployment situation exists.

61 (6) Gross income includes income imputed to the parent under Subsection (7).

62 (7) (a) Income may not be imputed to a parent unless the parent stipulates to the  
63 amount imputed, the parent defaults, or, in contested cases, a hearing is held and the judge in a  
64 judicial proceeding or the presiding officer in an administrative proceeding enters findings of  
65 fact as to the evidentiary basis for the imputation.

66 (b) ~~§~~ **→** ~~[(+)]~~ **←** ~~§~~ If income is imputed to a parent, the income shall be based upon  
66a employment  
67 potential and probable earnings as derived from employment opportunities, work history,  
68 occupation qualifications, and prevailing earnings for persons of similar backgrounds in the  
69 community, or the median earning for persons in the same occupation in the same geographical  
70 area as found in the statistics maintained by the Bureau of Labor Statistics ~~§~~ **→** , **except that if a**  
70a **parent has no recent work history in a specified occupation or has not recently worked a 40-**  
70b **hour work week, the court may consider the parent's attempts at obtaining employment, and**  
70c **may impute income congruent with employment in a recent occupation or congruent with**  
70d **actual recent earnings** ~~←~~ ~~§~~ .

71 ~~§~~ **→** ~~[(ii) Income may not be imputed to a parent for an occupation for which the parent has~~  
72 ~~no recent and significant work history and has no recent occupational qualifications, unless it~~  
73 ~~can be shown that the parent can obtain employment in that occupation.]~~ ~~←~~ ~~§~~

74 (c) If a parent has no recent work history or a parent's occupation is unknown, income  
75 shall be imputed at least at the federal minimum wage for a 40-hour work week. To impute a  
76 greater income, the judge in a judicial proceeding or the presiding officer in an administrative  
77 proceeding shall enter specific findings of fact as to the evidentiary basis for the imputation.

78 (d) Income may not be imputed if any of the following conditions exist and the  
79 condition is not of a temporary nature:

80 (i) the reasonable costs of child care for the parents' minor children approach or equal  
81 the amount of income the custodial parent can earn;

82 (ii) a parent is physically or mentally unable to earn minimum wage;

83 (iii) a parent is engaged in career or occupational training to establish basic job skills;

84 or

85 (iv) unusual emotional or physical needs of a child require the custodial parent's  
86 presence in the home.

87 (8) (a) Gross income may not include the earnings of a minor child who is the subject

88 of a child support award nor benefits to a minor child in the child's own right such as  
89 Supplemental Security Income.

90 (b) Social security benefits received by a child due to the earnings of a parent shall be  
91 credited as child support to the parent upon whose earning record it is based, by crediting the  
92 amount against the potential obligation of that parent. Other unearned income of a child may  
93 be considered as income to a parent depending upon the circumstances of each case.

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**Legislative Review Note**  
**Office of Legislative Research and General Counsel**