

MILITARY RETIREMENT INCOME TAX CREDIT

2020 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Curtis S. Bramble

House Sponsor: Jon Hawkins

LONG TITLE

General Description:

This bill creates an individual income tax credit for military retirement pay.

Highlighted Provisions:

This bill:

- ▶ creates a nonrefundable individual income tax credit for military retirement pay.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

ENACTS:

59-10-1041, Utah Code Annotated 1953

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

Section 1. Section **59-10-1041** is enacted to read:

59-10-1041. Nonrefundable tax credit for military retirement pay.

(1) An individual who receives retirement pay that relates to service in the armed forces, including service in the Reserves or the National Guard, may claim a nonrefundable tax credit equal to the product of:

- (a) the retirement pay included in taxable income; and



28 (b) the percentage listed in Subsection [59-10-104\(2\)](#).

29 (2) An individual claiming the tax credit described in Subsection (1) may not carry
30 forward or carry back the amount of the tax credit that exceeds the individual's tax liability for
31 the taxable year.

32 Section 2. **Effective date.**

33 This bill takes effect for a taxable year that begins on or after January 1, 2021.