

House Bills

HB 52 Research Activities Tax Credits Amendments

Amends: Utah Code §§59-7-612, 59-7-613, 59-10-1012, 59-10-1013

Effective: Retrospective to January 1, 2008

Summary:

This bill amends the corporate franchise and income tax credits for research activities and machinery and equipment used in research, by providing the credit shall be claimed in the year in which the expense was incurred (instead of in the succeeding year); lowers the 7% research activities credits to 5%, and increases the 5% research activities credit to 6.3% for 2009 and 9.2% beginning January 1, 2010.

HB 106 Clean Air and Efficient Vehicle Tax Incentives

Amends: Utah Code §§41-1a-418, 41-6a-1508, 59-7-605, 59-10-1009, 59-13-103, 59-13-301, 59-13-304, 59-13-314, 72-2-124,

Effective: January 1, 2009

Summary:

This bill eliminates the clean special fuel tax certificate; reduces the tax credit available for compressed natural gas vehicles to the lesser of \$2,500 or 35% of the vehicle's purchase price; provides a tax credit of \$750 for a new vehicle other than a compressed natural gas vehicle, that meets air quality and fuel economy standards; eliminates a provision excluding hybrid electric-gasoline vehicles from the tax credit; imposes a fuel tax of 8 ½ cents per gallon equivalent on the purchase of compressed natural gas for vehicles.

HB 359 Tax Changes

Amends: Utah Code §§ 9-4-802, 9-4-803, 23-14-13, 23-14-14.1, 26-18a-3, 26-18a-4, 26-48-102, 31A-32a-101, 31A-32a-103, 31A-32a-104, 31A-32a-105, 31A-32a-106, 31A-32a-107, 48-2c117, 53B-8a-106, 59-7-101, 59-7-105, 59-7-106, 59-7-116.5, 59-7-402, 59-7-614, 59-10-103, 59-10-104, 59-10-104.1, 59-10-110, 59-10-114, 59-10-115, 59-10-116, 59-10-117, 59-10-118, 59-10-119, 59-10-120, 59-10-121, 59-10-122, 59-10-123, 59-10-124, 59-10-125, 59-10-126, 59-10-201, 59-10-201.1, 59-10-202, 59-10-204, 59-10-205, 59-10-205, 59-10-207, 59-10-209.1, 59-10-210, 59-10-507, 59-10-1014, 59-10-1106, 59-12-103, 59-12-104, 72-2-107, 72-2-124, and 72-2-125

Enacts: Utah Code §§59-7-614.2, 59-10-1020, 59-10-1021, 59-10-1022, 59-10-1023, 59-10-1024, 59-10-1301, 59-10-1302, 59-10-1303, 59-10-1401, 59-10-1402

Renumbers and Amends: Utah Code §§ 59-10-1002.1, 59-10-1002.2, 59-10-1017, 59-10-1018, 59-10-1019, 59-10-1304, 59-10-1305, 59-10-1306, 59-10-1307, 59-10-1308, 59-10-1309, 59-10-1310, 59-10-1311, 59-10-1311, 59-10-1312, 59-10-1403, 59-10-1404, 59-10-1405.

Repeals: Utah Code §§ 59-10-206, 59-10-801, 59-10-1201, 59-10-1202, 59-10-1203, 59-10-1204, 59-10-1205, 59-10-1206, 59-10-1207

Effective: January 1, 2008 and January 1, 2009

Summary:

Retrospective to January 1, 2008, this bill:

- provides that, for purposes of corporate taxation, a unitary group includes a captive real estate investment trust;
- repeals provisions imposing an individual income tax on the basis of graduated rates and brackets;
- repeals provisions imposing a tax on estates and trusts on the basis of graduated rates and brackets and provides for a single 5% tax on estates and trusts;
- provides a nonrefundable credit for estates and trusts of 5% that is reduced by \$.013 for each dollar by which the estate's or trust's taxable income exceeds \$12,000;
- provides nonrefundable income tax credits for: a contribution to a medical savings account, capital gains transactions, certain amounts paid for insurance under a health benefit plan, and the purchase of solar units that generate electrical output furnished to a residence and that are purchased from a city or town in this state;

Senate Bills

SB 136 Apportionment of Business Income and Deduction of Net Losses by an Acquired Corporation

Amends: Utah Code §§59-7-110, 59-7-319, 59-7-118

Effective: January 1, 2009, the amendments to Section 59-7-110 have retrospective operation for taxable years beginning on or after January 1, 2008.

Summary:

This bill provides that, for purposes of the apportionment of corporate business income: (1) a receipt in connection with intangible property is considered to be in this state if the intangible property is used in this state; and (2) a receipt from the performance of a service is considered to be in this state if the purchaser of the service receives a greater benefit of the service in this state than in any other state;

modifies the calculation for determining the amount of net loss that may be deducted by a corporation acquired by a unitary group.

SB 185 Economic Incentive Revisions

Amends:

Enacts: Utah Code §§59-7-614.2, 59-10-1107, 63M-1-2401, 63M-1-2402, 63M-1-2403, 63M-1-2404, 63M-1-2405, 63M-1-2406, 63M-1-2407, 63M-1-2408

Repeals: Utah Code §§63-38f-1301, 63-38f-1302, 63-38f-1303, 63-38f-1304, 63-38f-1305, 63-38f-1306, 63-38f-1307, 63-38f-1308, 63-38f-1309, 63-38f-1701, 63-38f-1702, 63-38f-1703, 63-38f-1704, 63-38f-1705, 63-38f-1706

Effective: (1) Subject to Subsection (2), this bill takes effect on May 5, 2008. The amendments to Sections 59-7-614.2 and 59-10-1107 have retrospective operation for taxable years beginning on or after January 1, 2008.

Summary:

This bill replaces current economic incentives received as cash payments with economic incentives in the form of corporate and individual income tax credits; the determination of who qualifies for a credit and the amount of the credit will be made by the Governor's Office of Economic Development.