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## House Bills

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### HB 17 Enterprise Zone Amendments

**Amends:** 63M-1-402, 63M-1-403, 63M-1-404, 63M-1-406, 63M-1-412, 63M-1-413, 63M-1-414

**Repeals:** 63M-1-416

**Effective:** 1/1/12

- Provides that a business entity includes a sole proprietorship or an individual; defines “new full time employee position” to mean a position newly created and filled by an employee working at least 30 hours per week for at least 6 consecutive months.
- Expands the business entities qualifying for the credits to include entities with 51% of the employees residing in an enterprise zone adjacent to and contiguous to the enterprise zone in which the business entity is located and provides that the 51% of the employees residing in an enterprise zone test does not apply to a business entity that has no employees.
- Provides that a business entity primarily engaged in retail trade is not eligible for certain enterprise zone credits (this is an increase from the current de minimis test).

### HB 37 Determination of State Taxable Income

**Amends:** 59-10-117 and 59-10-536

**Effective:** 1/1/11 Retrospective

Provides that specific adjustments, additions to, and subtractions from adjusted gross income (AGI) shall be sourced to Utah for purposes of determining the state taxable income of a nonresident, specifically:

- Additions to AGI to the extent previously subtracted from state taxable income for:
  1. Improper withdrawals from a medical savings plan
  2. A reimbursed adoption expense, or
  3. Anequitable adjustment; and
- Deductions from AGI for an income tax refund:
  1. To the extent the refund deducted is related to Utah income tax, or
  2. For an equitable adjustment.

## **HB 94      Income Tax Credit for Combat Related Death**

**Enacts:**      59-10-1025

**Effective:**    5/10/11

Provides a nonrefundable individual income tax credit up to the amount of the tax liability for a combat related death and retrospective to 1/1/10.

## **HB 177      Canine Body Armor Restricted Account and Income Tax Contribution**

**Amends:**      59-10-1304, 63J-1-602.3

**Enacts:**      53-16-101, 53-16-102, 53-16-201, 53-16-301, 53-16-302, 59-10-1315

**Effective:**    1/1/11 Retrospective

Creates the Canine Body Armor Restricted Account.

Enacts an individual income tax contribution for canine body armor.

Provides that if the collections from the contribution do not meet a threshold amount, the Tax Commission shall remove the designation for the contribution from the individual income tax return and may not collect the contribution.

## **HB 256      Children’s Health Insurance and Medicaid Administrative**

**Amends:**      7-1-1006, 26-40-105, 59-1-403

**Enacts:**      26-18-2.5, 26-18-2.6

**Effective:**    5/10/11

Requires the Department of Health to:

- Apply for grants to fund a simplified enrollment and renewal process for Medicaid, Utah Premium Partnership, and Primary Care Network Demonstration Project programs.
- If funding is available, establish a simplified enrollment and renewal process by 7/1/12 for the programs in which the eligibility worker may, if the applicant provides consent, confirm the adjusted gross income of the applicant from the Tax Commission.

Requires the Tax Commission to provide the Department of Health or its designee with access to an applicant's adjusted gross income.

## **HB 317      Currency Amendments**

**Amends:**      59-10-1002.2

**Enacts:**      59-1-1501, 59-1-1502, 59-1-1503, 59-1-1504, 59-10-1025

**Effective:**    5/10/11

Recognizes gold and silver coins issued and deemed legal tender by the federal government to be legal tender in the state; does not compel a person to tender or accept gold and silver coin.

Provides a nonrefundable individual income tax credit for a short or long-term capital gain transaction that results from an exchange made on or after 1/1/12 of gold or silver coin issued by the federal government for another form of legal tender.

Requires the Revenue and Taxation Interim Committee to study the possibility of establishing an alternative form of legal tender and recommend whether an alternative form of legal tender should be established.

## **HB 496      Technology and Life Science Economic Development Act and Related Tax Credits**

**Enacts:**      59-7-614.6, 59-10-1025, 59-10-1026, 59-10-1109, 63M-1-2901, 63M-1-2902, 63M-1-2903, 63M-1-2904, 63M-1-2905, 63M-1-2906, 63M-1-2907, 63M-1-2908, 63M-1-2909, 63M-1-2910, 63M-1-2911

**Effective :**    1/1/11 **Retrospective**

Enacts the Technology and Life Sciences Act which authorizes GOED to issue the following tax credit certificates retrospective to 1/1/11:

1. A nonrefundable income tax credit of 35% of the purchase price of an ownership interest in “life science” business entities (NAICS Code 33911, 334510, or 334517) if the applicant receives a tax credit certificate from GOED; the credit shall be taken over a 3-year period and may not exceed \$350,000 in a year.
2. A nonrefundable income tax credit for capital gain transactions related to a life science establishment.

3. A refundable corporate and individual income tax credit for life science entities that generate an increase in state revenues.

## Senate Bills

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### **SB 21**      **Tax Revisions**

**Amends:**      59-1-403, 59-2-103.5, 59-10-103.1

**Enacts:**      59-10-136

**Effective:**    1/1/12

Requires a property owner to provide notice to the county board of equalization and make a declaration on the property owner's individual income tax return if the property owner is no longer eligible to receive a property tax residential exemption for the property owner's primary residence.

Allows the Tax Commission to provide information to a county on a property owner's declaration on an individual income tax return that the property owner is no longer eligible to receive a property tax residential exemption for the property owner's primary residence.

Addresses the determination of domicile for purposes of Title 59, Chapter 10, Individual Income Tax Act by setting out a bright line test for domicile, a rebuttable presumption test for domicile, and a test for domicile based on the facts and circumstances.

Provides that a resident who leaves the state for 761 consecutive days and meets other conditions is not considered domiciled in the state.

### **SB 30**      **Extension of Recycling Market Development Zone Act and Related Tax Credits**

**Amends:**      63I-1-263

**Effective:**    7/1/10 Retrospective

Extends the repeal date for the Recycling Market Development Zone Act from July 1, 2020, to January 1, 2021.

Extends recycling market development zone tax credit and carry forward provisions to repeal on January 1, 2012 and provides for the retrospective operation of that credit to 7/1/10.

## **SB 145**      **Utah Educational Savings Plan Amendments**

**Amends:**      51-7-2, 51-7-4, 52-4-205, 53B-8a-102, 53B-8a-103, 53B-8a-105, 53B-8a-107, 53B-8a-102, 59-1-403, 59-10-1313, 63A-3-402, 63G-1-201, 63G-2-103,, 63G-2-301, 63G-2-305

**Effective:**      3/16/11

Modifies the information required to be sent from the Tax Commission to the Utah Educational Savings Plan when a taxpayer's individual income tax refund is contributed to plan accounts, to include the amount of the individual income tax refund and, on an as needed basis, the taxpayer's telephone number and number of dependents claimed.

## **SB 226**                      **Income Tax Credits for Cleaner Burning**

**Amends:** 59-7-605, 59-10-1009

**Effective:**      1/1/11 Retrospective

Amends the eligibility requirements for cleaner burning fuels tax credits available under the individual income tax and the corporate franchise and income tax chapters to include air quality standards for a new qualified plug-in electric drive motor vehicle.