

2015 LEGISLATION – INDIVIDUAL INCOME & CORPORATE FRANCHISE & INCOME TAX

HOUSE BILLS	2
HB 15 CLEAN FUEL AMENDMENTS AND REBATES	2
HB 406 NATURAL GAS VEHICLE AMENDMENTS	2
SENATE BILLS	3
SB 13 INCOME TAX AMENDMENTS	3
SB 14 RENEWABLE ENERGY TAX CREDIT AMENDMENTS	3
SB 64 CORPORATE FRANCHISE AND INCOME TAX AMENDMENTS	3
SB 144 MODIFICATIONS TO INCOME TAX	4
SB 156 ENERGY EFFICIENT VEHICLE TAX CREDIT FOR MOTORCYCLES	4
SB 216 HIGH COST INFRASTRUCTURE TAX CREDITS	4
SB 250 INCOME TAX REVISIONS	4
SB 292 ACHIEVING A BETTER LIFE EXPERIENCE PROGRAM	5

House Bills

HB 15 Clean Fuel Amendments and Rebates

Amends: 19-1-403, 59-7-605, 59-10-1009

Enacts: 19-2-301, 19-2-302, 19-2-303, 19-2-304, 19-2-305

Effective: 5/12/2015

Summary:

This bill authorizes the Department of Environmental Quality to make grants from the Clean Fuels and Vehicle Technology Fund to a person who installs conversion equipment on a motor vehicle; describes the process for a person to apply for a grant to install conversion equipment on a motor vehicle; describes the amount of grant money the director of the Division of Air Quality may award to a person who installs conversion equipment on a motor vehicle; provides that a vehicle owner who receives the savings on the costs of conversion may not claim a tax credit for the conversion unless the savings are less than the tax credit, in which case the vehicle owner may claim a tax credit in the amount of the difference.

HB 406 Natural Gas Vehicle Amendments

Amends: 59-13-301, 63I-1-259

Enacts: 59-7-618, 59-10-1033

Effective: 5/12/2015

This bill provides a nonrefundable corporate and individual income tax credit with a 5-year carryforward for a taxable year beginning on or after January 1, 2015 for the purchase of a natural gas heavy duty vehicle; provides that the Air Quality Board shall issue a tax credit certificate for qualified purchases and shall determine the amount of the credit that may be claimed; increases the tax rate on CNG and LNG from 8 ½ cents per gallon to 10 ½ cents per gallon on July 1, 2015, and an additional 2 cents per gallon on July 1, 2016, July 1, 2017 and July 1, 2018.

Senate Bills

SB 13 Income Tax Amendments

Amends: 23-14-13, 59-7-105, 59-7-106, 59-7-614, 59-10-1002.1, 59-10-1304, 53M-1-1102

Repeals: 59-7-602, 59-7-603, 59-7-608, 59-7-614.3, 59-10-1011, 59-10-1305

Effective: 1/1/2015

This bill repeals corporate and individual income tax credits that have expired for lack of use; exempts a tax credit for a combat related death from provisions that require the State Tax Commission to remove a tax credit from a tax return and prohibit a taxpayer from claiming or carrying forward a tax credit for low usage; repeals individual income tax contributions that have expired for lack of use. **Corporate credits repealed:** cash contributions for sheltered workshops; sophisticated technological equipment donated to schools; targeted jobs credit; qualifying solar projects. **Individual credit repealed:** tutoring tax credits for dependents with a disability. **Checkoff repealed:** nongame wildlife contribution.

SB 14 Renewable Energy Tax Credit Amendments

Amends: 59-2-102, 59-7-614, 59-10-1014, 59-10-1106, 59-7-614

Effective: 1/1/2015

This bill harmonizes the alternative energy types that qualify for the corporate and individual income renewable energy tax credits.

SB 64 Corporate Franchise and Income Tax Amendments

Amends: 53B-8a-102, 53B-8a-106, 59-7-106, 59-10-1017, 59-10-1313

Effective: Multiple effective dates

Retrospective to January 1, 2015, this bill: (1) modifies corporate tax deductions and individual income tax credit provisions related to Utah Educational Savings Plan accounts so that a person may receive a credit for monies deposited into their UESP account by another person, and (2) provides that if the UESP account is owned by a grantor trust, the persons who receive the grantor trust income shall be allowed the maximum amount of a qualified investment that corresponds to the state income tax return they file (e.g., if the persons who receive the benefit of the income file a married filing joint income tax return, they are allowed the maximum amount of a qualified investment that a UESP account owned by a husband and wife filing jointly are allowed); effective January 1, 2016, modifies tax return contribution provisions related to Utah Educational Savings Plan accounts to allow a person to direct part of their refund (instead of all of their refund) to their UESP account.

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SB 144 **Modifications to Income Tax**

Amends: 59-7-903, 59-10-1002.1, 59-10-1304

Effective: 5/12/2015

This bill repeals provisions requiring the State Tax Commission to notify state agencies that the State Tax Commission is required to remove certain tax credits from tax returns; enacts provisions requiring the State Tax Commission to publish information pertaining to the requirement that the State Tax Commission remove certain tax credits and contributions from tax returns on the agency's website and on the public legal notice website.

SB 156 **Energy Efficient Vehicle Tax Credit for Motorcycles**

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

Effective: Retrospective to 1/1/2015

This bill enacts an energy efficient vehicle tax credit for qualifying electric motorcycles of the lesser of \$750 or 35% of the purchase price of the motorcycle.

SB 216 **High Cost Infrastructure Tax Credits**

Amends: 63M-4-401

Enacts: 59-7-618, 59-10-1033, 63M-4-601, 63M-4-602, 63M-4-603, 63M-4-604, 63M-4-605

Effective: 1/1/2016

This bill directs the Office of Energy Development to issue a tax credit certificate for a nonrefundable corporate or individual income tax credit with a 7-year carryforward to an entity developing a high cost infrastructure project under certain circumstances; and provides tax credit eligibility criteria for an entity developing a high cost infrastructure project.

SB 250 **Income Tax Revisions**

Amends: 59-1-401, 59-10-406

Enacts: 59-10-529.1

Effective: 1/1/2016

This bill requires an employer to electronically file with the State Tax Commission W-2s and 1099s filed for withholding purposes and requires they be filed on or before January 31; imposes penalties for failure to file the forms electronically and accurately; prohibits the State Tax Commission from issuing an individual income tax refund prior to March 1 unless the employer and employee have both filed forms and returns as required.

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SB 292 **Achieving a Better Life Experience Program**

Enacts: 35A-12-101, 35A-12-102, 35A-12-201, 35A-12-202, 35A-12-301, 35A-12-302, 35A-12-303, 35A-12-304, 35A-12-305, 35A-12-401, 35A-12-402, 59-7-618, 59-10-1033, 63I-2-235

Effective: 1/1/2016

This bill enacts the Achieving a Better Life Experience Program Act within the Department of Workforce Services, which includes the creation of accounts for the purpose of allowing contributions on behalf of a beneficiary for the payment of qualified disability expenses; enacts nonrefundable corporate and individual income tax credits equal to the product of 5% and the total amount of contributions made during the taxable year for which the contributor receives a statement from the account administrator itemizing the contributions.