

R865. Tax Commission, Auditing.

R865-9I. Income Tax.

~~[R865-9I-56. Determination of Amounts Withheld by a Pass-Through Entity that is an S-Corporation Pursuant to Utah Code Ann. Section 59-10-116, 59-10-117, 59-10-118, 59-10-1403.2, and 59-10-1405.~~

~~(1) The provisions of this rule apply to a pass-through entity that is an S corporation. For provisions that apply to a pass-through entity that is not an S corporation, see rule R865-9I-13.~~

~~(2) A pass-through entity that is an S corporation with nonresident shareholders shall complete Schedule N of form TC-20S, and shall provide the following information for each nonresident pass-through entity taxpayer:~~

- ~~(a) name;~~
- ~~(b) address;~~
- ~~(c) social security number;~~
- ~~(d) percentage of S corporation held; and~~
- ~~(e) amount of Utah tax paid or withheld on behalf of that pass-through entity taxpayer.~~

~~(3) The income of a pass-through entity that is an S corporation shall be calculated by:~~

~~(a) adding back to the line on the Schedule K labeled "Income/loss reconciliation" the amount included on that schedule for:~~

- ~~(i) charitable contributions;~~
- ~~(ii) total foreign taxes paid or accrued; and~~
- ~~(iii) recapture of a benefit derived from a deduction under Section 179, Internal Revenue Code; or~~

~~(b) if the pass-through entity that is an S corporation was not required to complete the line labeled "Income/loss reconciliation" on the Schedule K, a pro forma calculation of the amounts for charitable contributions and foreign taxes paid or accrued, and of the amount that would have been entered on the "Income/loss reconciliation" line shall be used for purposes of this rule.~~

~~(4) A pass-through entity that is an S corporation shall calculate the tax it withholds on behalf of its nonresident pass-through entity taxpayers by:~~

~~(a) multiplying the income of the pass-through entity by the rate in effect under Section 59-10-104; and~~

~~(b) subtracting from the amount calculated in Subsection (4)(a) any amounts withheld under Section 59-6-102.~~

~~(5) A pass-through entity that is an S corporation is not required to withhold a tax on behalf of a pass-through entity taxpayer that is exempt from taxation under Subsection 59-7-102.]~~

KEY: historic preservation, income tax, tax returns, enterprise zones

Date of Enactment or Last Substantive Amendment: April 8, 2010

Notice of Continuation: March 20, 2007

Authorizing, and Implemented or Interpreted Law: 31A-32A-106; 53B-8a-112; 59-1-1301 through 59-1-1309; 59-2-1201 through 59-2-1220; 59-6-102; 59-7-3; 59-10; 59-10-103; 59-10-108 through 59-10-122; 59-10-108.5; 59-10-114; 59-10-124; 59-10-127; 59-10-128; 59-10-129; 59-10-130; 59-10-207; 59-10-210; 59-10-303; 59-10-401 through 59-10-403; 59-10-405.5; 59-10-406 through 59-10-408; 59-10-501; 59-10-503; 59-10-504; 59-10-507; 59-10-512; 58-10-514; 59-10-516; 59-10-517; 59-10-522; 59-10-533; 59-10-536; 59-10-602; 59-10-

**603; 59-10-1003; 59-10-1006; 59-10-1014; 59-10-1017; 59-10-1021; 59-10-1023; 59-10-1106;
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414**

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