

Removal of Credits and Contributions from Tax Returns

Sections 59-7-903 and 59-10-1002.5 require the Tax Commission to remove a nonrefundable tax credit from the corporate or individual income tax return if, for three consecutive taxable years: (1) the total amount of the credit claimed is less than \$10,000; and (2) less than 10 persons file a return claiming the credit. The credit is removed from the return two taxable years after the taxable year in which the above criteria are satisfied.

The credit against corporate tax for employing a recently deployed veteran (Section 59-7-614.9) meets the criteria for removal. This credit may not be claimed or carried forward and will be removed from the 2016 corporate tax return.

In addition, pursuant to Section 59-10-1304, the Tax Commission is required to report on or before the November meeting of the Revenue and Taxation Interim Committee when an individual income tax contribution has generated less than \$30,000 per year of contributions for three consecutive years. The contribution is removed from the return two taxable years after the taxable year in which the above criteria are satisfied.

The contribution for the Cat and Dog Community Spay and Neuter Program (Section 59-10-1310) meets the criteria for removal. This contribution is no longer allowed and will be removed from the 2016 individual income tax return.