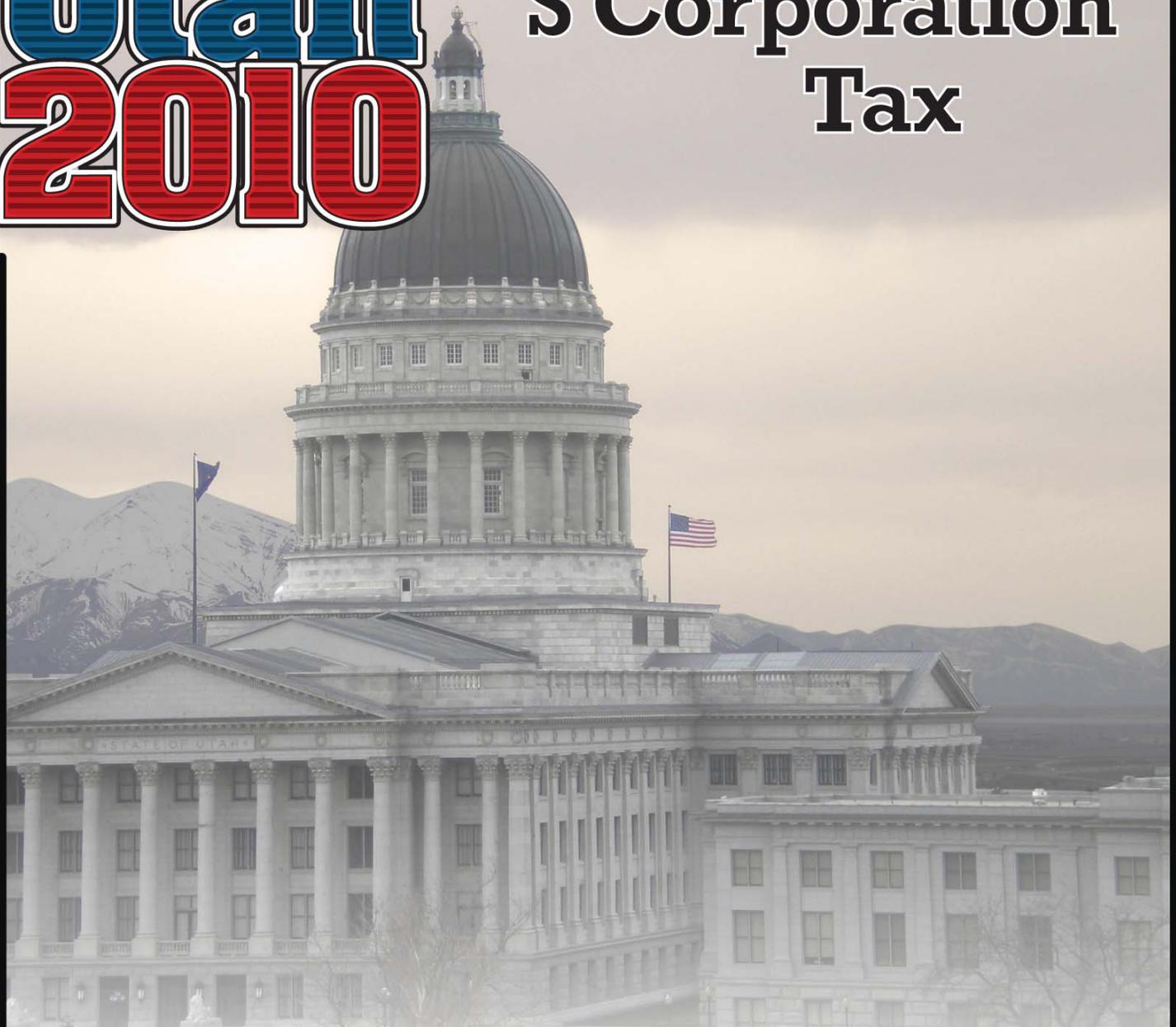


Utah
2010

**S Corporation
Tax**



Form TC-20S
Tax Return & Instructions

Utah State Tax Commission • 210 North 1950 West • Salt Lake City, UT 84134
tax.utah.gov

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Online Services



Visit our website for detailed tax information and all Utah State tax forms and instructions.

tax.utah.gov

Utah accepts electronic filing for Partnerships, C Corporations, S Corporations and Homeowners Associations.

tax.utah.gov/mef

Pay tax due and make payments online with a credit card or e-check.

taxexpress.utah.gov



Get Utah forms.

Online at **tax.utah.gov/forms**

Fill-in forms are available.

Order paper forms by phone

801-297-6700 or

1-800-662-4335, ext. 6700

(outside the Salt Lake area)

Need more information?

Telephone 801-297-2200 or

1-800-662-4335

(outside the Salt Lake area)

Webpage **tax.utah.gov**

Law

Find Utah Code (UC) and Internal Revenue Code (IRC) at **tax.utah.gov/research**

Utah Taxpayer Advocate Service

The Taxpayer Advocate Service assists taxpayers who have made multiple unsuccessful attempts to resolve concerns with the Tax Commission. This service helps resolve problems when normal departmental processes break down, identifies why the problem occurred and suggests remedies to stop the problem from recurring. See details at **tax.utah.gov/contact.html** or contact us to find out if you qualify for this assistance at 801-297-7562, toll free at 800-662-4335, ext. 7562, or by email at **taxpayeradvocate@utah.gov**.

The Taxpayer Advocate service should not be used to bypass normal methods for resolving disputes or issues.

E-Verify for Employers

Employers can help prevent identity theft by verifying the social security numbers of job applicants. E-Verify is a free service of the U.S. Department of Homeland Security that verifies employment eligibility through the Internet. Employers can use E-Verify at **www.dhs.gov/E-Verify**.

File TC-20 if Corporation filed federal form 1120

File TC-20S if S Corporation filed federal form 1120S

File TC-20MC if Corporation filed federal forms 1120-H, 1120-RIC, 1120-REIT, 990-T or 8023

If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at 801-297-3811 or Telecommunications Device for the Deaf (TDD) 801-297-2020. Please allow three working days for a response.

TC-20S General Instructions

What's New

- **S Corporation Form Changes:** The Utah S corporation return now includes a Schedule K and a Schedule K-1, similar to the federal S corporation return. The Schedule K-1 is to be filed for each shareholder of the S corporation. Schedule P has been eliminated, since that information is now reported on Schedules K and K-1.
- **Publication 68, Pass-through Entity Withholding:** This new publication has been developed to assist in handling pass-through entity questions. The publication is available at tax.utah.gov/forms.
- **Double-weighted Sales Factor Election:** The former requirement that the election was irrevocable and must be used for five years has been repealed. The election may now be made on a year-by-year basis.
- **Recycling Market Development Zone Tax Credit:** This credit has been repealed for purchases or expenditures made after June 30, 2010. See page 14.
- **Research Activities Credit:** This credit is increased to 9.2% on certain qualified research expenses. See page 14.
- **Obsolete and New Schedules:** Schedule P is now obsolete. The information formerly on the Schedule P is now included on the new Utah Schedules K and K-1.

Reminder

- **Market Sourcing of Revenues from Performance of Services by Multi-state Taxpayers:** For tax years beginning after 2008, corporations performing a service both in and outside Utah must calculate the sales factor numerator on Schedule J by considering the service income to be in Utah if the buyer receives a greater benefit of the service in Utah than in any other state. See page 11.

Electronic Filing for Corporation Returns

Utah corporation returns may be filed electronically under a joint program between the Internal Revenue Service and the Utah State Tax Commission.

The federal and state information is submitted at the same time and the IRS extracts the federal data and forwards the state data to the Tax Commission. No papers need to be mailed to the agencies when filing electronically.

C corporations, S corporations and Homeowners Associations may file electronically.

Check with your software provider to see if they offer electronic corporation filing.

Learn more about filing your corporation return electronically online at tax.utah.gov/mef.

Corporation Identification Numbers

Utah uses the Federal Employer Identification Number (EIN) as the corporation's identification number with the state. The Utah Department of Commerce also issues a registration number upon incorporation or qualification in Utah. Enter both the EIN and Utah Incorporation/Qualification number in the proper fields on page 1 of form TC-20S. These numbers are used for identification of the corporate tax return and any correspondence.

Corporation Changes

Corporation changes (e.g., name change, physical and/or mailing address changes, merger, or ceasing to do business in Utah) must be reported in writing to both:

Division of Corporations
Department of Commerce
160 E 300 S
PO Box 146705
Salt Lake City, UT 84114-6705

and

Master File Maintenance
Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-3310

Dissolution or Withdrawal

Corporations that cease to do business in Utah must either dissolve or withdraw the corporation.

Corporations incorporated in Utah must file *Articles of Dissolution* with the Department of Commerce.

Corporations incorporated outside of Utah (foreign corporations) must obtain a *Certificate of Tax Clearance* from the Tax Commission before withdrawing from Utah. Foreign corporations must file an *Application for Withdrawal* with the Department of Commerce.

To request a *Certificate of Tax Clearance*, contact the Tax Commission. We will prepare form TC-2001 and send it to you to complete.

To close related tax accounts (sales, withholding, etc.), send a completed TC-69C, *Notice of Change for a Tax Account*, to Master File Maintenance at the Tax Commission address above.

Rounding Off to Whole-dollar Amounts

Round off cents to the nearest whole dollar. Round down if cents are under 50 cents; round up if cents are 50 cents and above. **Do not enter cents anywhere on the return.**

Liability for Filing and Paying Returns

Tax Forms

The Tax Commission does not mail forms for filing corporate taxes. If the corporation does not use software that provides the forms, you may obtain Utah forms by downloading copies from the Tax Commission website at tax.utah.gov/forms or by calling the Forms Hotline at 801-297-6700 or 1-800-662-4335, ext. 6700.

Note: See *What to Attach and What to Keep* later in these General Instructions to identify what federal information is required with the Utah return.

Franchise Tax

Every C corporation incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah, whether qualified or not, must file a corporate franchise tax return. C corporation returns are filed on form TC-20. There is a minimum tax (privilege tax) of \$100 on every corporation that files form TC-20, regardless of whether or not the corporation exercises its right to do business.

S Corporation

Every S corporation (as defined in IRC Section 1361(a)) that has filed a proper and timely election under IRC Section 1362(a) must file form TC-20S, so long as the federal election remains in effect. The minimum tax does not apply to S corporations.

Income Tax

Corporations required to file under the income tax provisions are those that derive income from Utah sources, but are not qualified to do business in Utah and have no regular and established place of business in Utah, either owned or rented, and do not maintain an inventory or have employees located at a place of business in Utah. For example, a trucking company operated in or through Utah, or an institution making loans or issuing credit cards to Utah customers from outside Utah, that are not qualified to do business in Utah and have no place of business in Utah, are subject to the income tax rather than franchise tax.

A \$100 minimum tax applies to the corporate income tax.

Pass-through Entity Withholding Requirements

S corporations are considered pass-through entities (see UC §59-10-1402(9)) and, for tax years beginning on or after Jan. 1, 2009, are required to withhold Utah income tax on all nonresident individual shareholders and on all resident and nonresident trust shareholders. These shareholders are collectively referred to as pass-through entity taxpayers (see UC §59-10-1402(10)). An S corporation is not required to withhold on a shareholder that is exempt from tax under UC §59-7-102(1)(a).

Utah imposes a 5 percent withholding tax on all Utah business and nonbusiness income derived from or connected with Utah sources and attributable to pass-through entity taxpayers. The S corporation may reduce this withholding by any mineral production withholding tax and previous pass-through entity withholding distributed to the shareholder. This withholding tax must be paid to the Tax Commission by the original due date of the return, without regard to extensions.

The calculation of the required Utah withholding tax is done on Schedule N. See the instructions for Schedule N on page 18 for more details.

The S corporation must provide a Utah Schedule K-1 to each shareholder showing the amount of Utah withholding paid on behalf of the shareholder. This withholding tax is then claimed as a credit by the shareholder on the shareholder's personal return.

If this S corporation has an interest in a partnership (also considered a pass-through entity), that partnership is required to withhold Utah income tax on Utah income distributed to this S corporation. The partnership must provide a Schedule K-1 showing the amount of Utah withholding paid on behalf of this S corporation. This withholding tax must then be allocated to the shareholders of this S corporation and passed-through to be claimed on their personal returns. Enter this previous pass-through entity withholding tax for each shareholder on Schedules K and K-1.

The S corporation may request a waiver of withholding tax and any associated penalty and interest for all or selected shareholders who filed and paid tax on their personal returns on the Utah income from this S corporation. The tax must be paid on or before the S corporation's return due date, including extensions (see UC §59-10-1403.2(5)).

Qualified Subchapter S Subsidiary

An S corporation that owns one or more qualified subchapter S subsidiaries, as defined in IRC §1361(b)(3)(B), must:

- Include each subsidiary's assets, liabilities and items of income, loss and deductions as part of the parent S corporation's assets, liabilities and items of income, loss and deductions for Utah tax purposes. The qualified subchapter S subsidiary shall not be treated as a separate corporation.
- Take into account the activities of the qualified subchapter S subsidiaries in determining whether the S corporation parent is doing business in Utah. For purpose of this determination, all of the subsidiary's activities will be attributed to the parent.
- Attach TC-20S, Schedule M identifying the qualified subchapter S subsidiaries incorporated, qualified, or doing business in Utah.

Taxable Year

The taxable year for Utah tax purposes must match the taxable year used for federal tax purposes. When the taxable year changes for federal purposes, the taxable year must be changed for Utah purposes. Refer to Filing Return When Period Changed below. File using the 2010 return for calendar year 2010 and fiscal years beginning in 2010 and ending in 2011. If the return is for a fiscal year or a short tax year (less than 12 months), fill in the tax year space at the top of the form.

Filing Return When Period Changed

When changes are made to the taxable year, as indicated under Taxable Year above, a short-period return is required. The short-period return must cover the period of less than 12 months between the prior taxable year-end and the new taxable year. The tax rates as provided in UC §§59-7-104 and 59-7-201 apply to short period returns.

Where to File

Send the completed return and any payment to:

Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-0300

Due Date

A return must be filed on or before the 15th day of the fourth month following the close of the taxable year. If the due date falls on a Saturday, Sunday or legal holiday, the due date becomes the next business day.

Filing Extension

Corporations are automatically allowed an extension of up to six months to file a return without filing an extension form. **This is an extension of time to file the return - NOT an extension of time to pay taxes.** To avoid penalty, the prepayment requirements must be met on or before the original return due date and the return must be filed within the six-month extension period.

Note: All pass-through withholding from TC-20S, Schedule N, column I **must** be paid by the original due date of the return, without regard to extensions.

Penalties

Utah law (UC §59-1-401) provides penalties for not filing tax returns by the due date, not paying tax due on time, not making sufficient prepayment on extension returns, and not filing information returns or supporting schedules. Details of these penalties, along with additional penalties, are at tax.utah.gov/billing/penaltyinterest.html and in Pub 58, *Utah Interest and Penalties*, at tax.utah.gov/forms.

The Tax Commission will calculate the penalty for underpayment of required prepayments.

Interest (in addition to penalties due)

Interest is assessed on underpayments from the due date until the liability is paid in full. The interest rate for the 2011 calendar year is **3 percent**.

Get Pub 58, *Utah Interest and Penalties*, which contains applicable interest rates, at tax.utah.gov/forms or by calling or writing the Tax Commission.

Suspension for Failure to Pay Tax Due

Utah law provides for suspension of a corporation's right to do business in Utah if it fails to pay taxes due before 5:00 p.m. on the last day of the 11th month after the due date.

If a corporation owes tax and is unable to pay all of the amount owed, the corporation may complete form TC-804B, *Business Tax Payment Agreement Request*, available at tax.utah.gov/forms.

What to Attach and What to Keep

Include the following with your Utah TC-20S. Also, keep copies of these with your tax records.

- **Utah S Corporation Return Schedules:** Attach applicable Utah schedules A, E, H, J, K, M, and/or N, along with the Utah Schedule K-1 for each shareholder.
- **Federal Return:** Attach **only** pages 1 through 4 of your federal S corporation return (plus Schedule M-3, if applicable).

Do not send a copy of your entire federal return, federal Schedules K-1, credit schedules, worksheets, or other documentation with your Utah return unless otherwise stated in these instructions. Keep these in your files, along with all supporting documents. You may be asked to provide this information later to verify entries on your Utah return.

First Time Filers

A copy of the IRS letter of authorization, *Notice of Acceptance as an S Corporation*, must be attached to the TC-20S, *Utah S Corporation Tax Return*, when filing for the first time. Also, enter the effective date of the election on TC-20S, line 1.

Instructions for TC-20S — Utah S Corporation Tax Return

Corporation Name and Address

Enter the corporate name, address and telephone number, including area code. If the address has changed, check the physical address and/or mailing address box. To make additional changes, see Corporation Changes in the General Instructions.

ZIP Code

Enter your ZIP Code, including the “plus four” at the end.

Foreign Country

If your address is in a foreign country, enter the mailing address where indicated. Enter the foreign city, state/province and postal code in the city field. Abbreviate if necessary. Enter only the foreign country name in the “Foreign country” field. This is a Postal Service requirement.

EIN and Utah Incorporation/ Qualification Number

Enter your federal Employer Identification Number (EIN) and Utah Incorporation/Qualification Number issued by the Department of Commerce in the appropriate fields.

Filing Period

If your return is being filed for a period other than the calendar year ending Dec. 31, 2010, enter the beginning and ending period dates at the top, where indicated.

Amended Returns

To amend a previously filed return, use the tax forms and instructions for the year you are amending. You can get prior year forms and instructions at tax.utah.gov/forms.

Amend your return if:

- you discover an error on your Utah or federal return after it has been filed, or
- your federal return is audited or adjusted by the IRS and the audit or adjustment affects your Utah return. You must amend your Utah return within 90 days of the IRS’s final determination.

To qualify for a refund or credit, an amended return must be filed within three years after the original return was due or two years from the date the tax was paid. A return filed before the due date is considered filed on the due date.

To amend a previously filed return, enter on page 1 of the Utah return on the line titled “AMENDED RETURN” a code number that best corresponds to your “REASON FOR AMENDING.” See codes below.

Reason-for-Amending Codes

- 1 You filed an amended federal return with the IRS. Attach a copy of your amended federal return.
- 2 You made an error on your Utah return. Attach an explanation of the adjustments made.
- 3 Your federal return was changed by an IRS audit or adjustment and it affects your Utah return. Attach a copy of the IRS adjustment.
- 4 Other. Attach an explanation to your return.

Enter the corrected figures on the return and/or schedules. Enter all other amounts as shown on your original return. If you received a refund on your original return, subtract the previous refund (exclude refund interest) from the amount of any tax paid with the original return and/or subsequent payment of the tax prior to filing the amended return. Enter the net amount on Schedule A, line 19. A net refund should be entered as a negative amount (preceded by a minus sign).

Do not submit a copy of your original return with your amended return.

Federal Form 8886

If you filed federal Form 8886, *Reportable Transaction Disclosure Statement*, with the Internal Revenue Service, enter an “X” at the top of your TC-20S, where indicated.

Line-by-Line Instructions

Line 1 – S Corporation First Return

If this is the first return filed as an S corporation, enter the effective date of the S corporation election as shown on the IRS approval letter, *Notice of Acceptance as an S Corporation*. Attach a copy of the IRS acceptance letter to your Utah return.

Line 2(a) – Number of Shares

Enter the number of shares issued by the S corporation to Resident Individuals, IRC 501 and Other Exempt Entities, and Nonresident Individuals and Other Pass-through Entity Taxpayers.

Line 2(b) – Percentage of Shares

Enter the percentage of shares issued by the S corporation to Resident Individuals, IRC 501 and Other Exempt Entities, and Nonresident Individuals and Other Pass-through Entity Taxpayers. The total percentages entered should equal 100%.

Line 3 – Corporations Conducting Business in Utah

Enter an “X” if this S corporation conducted any business in Utah during the taxable year.

Line 4 – Qualified Subchapter S Subsidiary Election

Enter an "X" if this S corporation has elected to treat any subsidiary as a Qualified Subchapter S Subsidiary who did business, incorporated or was qualified in Utah and is listed on Schedule M.

Line 5 – Total Tax

Enter the total tax from Schedule A, line 17.

Line 6 – Total Payments

Enter the total payments from Schedule A, line 20.

Line 7 – Tax Due

If line 5 is larger than line 6, subtract line 6 from line 5.

Line 8 – Penalties and Interest

Enter any penalties and interest that apply to this return.

Line 9 – Pay This Amount

Add lines 7 and 8. Make check or money order payable to the Utah State Tax Commission. Do not mail cash. The Tax Commission assumes no liability for loss of cash placed in the mail. Complete the TC-559 coupon on page 20 and send with your payment.

Line 10 – Overpayment

If line 6 is larger than line 5, subtract line 5 from line 6.

Line 11 – Amount of Overpayment to be Applied to Next Taxable Year

All or part of any overpayment shown on line 10 may be applied as an advance payment for the next tax year. Enter the amount to be applied (may not exceed the overpayment on line 10).

Line 12 – Refund

Subtract line 11 from line 10. This is the amount to be refunded to you.

Signature and Date Line

Sign and date the return. A refund will not be allowed without a signature.

Paid Preparer Authorization

If the corporation wants to allow the Tax Commission to discuss their 2010 return with the paid preparer who signed it, enter an "X" in the box to the right of the signature area of the return where indicated.

This authorization applies only to the individual whose signature appears in the Paid Preparer Section of the return. It does not apply to the firm, if any, shown in that section. If you enter an "X" in the box, the corporation is authorizing the Tax Commission to call the paid preparer to answer any questions that may arise during the processing of the return. The paid preparer is also authorized to:

- give the Tax Commission any information that is missing from the return,

- call the Tax Commission for information about the processing of the return or the status of any refund or payment(s), and
- respond to certain Tax Commission notices about math errors, offsets, and return preparation.

The corporation is not authorizing the preparer to receive any refund, bind the entity to anything (including any additional tax liability), or otherwise represent the entity before the Tax Commission. If the entity wants to expand the preparer's authorization, complete and submit to the Tax Commission form TC-737, *Power of Attorney and Declaration of Representative*. Form TC-737 is available at tax.utah.gov/forms.

The authorization will automatically end no later than the due date (without regard to extensions) for filing the entity's 2011 tax return. If you wish to revoke the authorization before it ends, submit your request in writing to the Utah State Tax Commission, attention Taxpayer Services, 210 N 1950 W, SLC, UT 84134.

Paid Preparer

The paid preparer must enter his or her name, address, and PTIN in the section below the corporate officer's signature on the return.

Preparer Penalties

(UC §59-1-401(11))

The person who prepares, presents, procures, advises, aids, assists or counsels another on a return, affidavit, claim or similar document administered by the Tax Commission, and who knows or has reason to believe it may understate a tax, fee or charge is subject to both a civil penalty (\$500 per document) and criminal penalty (second degree felony with a fine from \$1,500 to \$25,000).

Payment Options

You may pay your tax online with a credit card or an electronic check (ACH debit). You may pay in full or make partial payments throughout the year. Online payments may include a service fee. Follow the instructions at taxexpress.utah.gov.

You may also mail your check or money order payable to the Utah State Tax Commission with your return. Write the employer identification number, daytime telephone number and "2010 TC-20S" on your check. **DO NOT STAPLE check to return.** Remove any check stub before sending. **DO NOT MAIL CASH with your return.** The Tax Commission is not liable for cash lost in the mail. **Include the TC-559 coupon on page 20 with your payment.**

Mail your return, payment and coupon (if applicable) to the Utah State Tax Commission, 210 N 1950 W, SLC, UT 84134-0300. If mailing your payment separate from your return, include form TC-559, *Corporation/Partnership Payment Coupon*, but do **NOT** send another copy of your tax return with your payment. Doing so may delay posting of your payment.

Pay Plan Request

If you owe tax and are unable to pay all of the amount owed, you may request a pay plan by completing form TC-804B, *Business Tax Payment Agreement Request*. The form can be obtained at tax.utah.gov/forms. If approved, you will receive a letter confirming the acceptance of your request.

A pay plan does not stop the accrual of penalty and interest. If you do not pay in full by the return due date, whether or not you request a pay plan, any balance due will be subject to penalty and interest.

If you do not submit a pay plan request form, a billing notice for the full amount due, including penalty and interest, will be mailed to you. Upon receiving this notice, you must pay the total amount due, or request a formal pay plan by completing and mailing form TC-804B or calling 801-297-7703 or 1-800-662-4335 ext. 7703.

Payments may be submitted prior to approval of the pay plan request or billing notice, per the instructions above.

Supplemental Information to be Supplied by All S Corporations

All S corporations must complete this information located on page 2 of the TC-20S.

Instructions for Schedule A – Utah Taxable Income

Line 1 – Federal Income (Loss) Reconciliation

Enter the amount of federal income or loss reconciliation as shown on federal form 1120S, Schedule K, line 18 (R865-9I-13).

Line 2 – Charitable Contributions

Enter the amount of charitable contributions deducted on federal form 1120S, Schedule K, line 12a.

Line 3 – Foreign Taxes

Enter the amount of foreign taxes deducted on federal form 1120S, Schedule K, line 14l.

Line 4 – Recapture of Section 179 Deduction

Enter the gain or loss on the sale, exchange or other disposition of property for which a section 179 expense deduction has been passed through to shareholders and reported on federal Schedule K, line 17d, code “L.”

Line 5 – Total Income (Loss)

Add lines 1 through 4.

Line 6 – Total Portfolio Income

Enter the total of all portfolio income. This income is attributable to the resident state.

Generally, portfolio income includes all gross income, other than income derived in the ordinary course of a trade or business, that is attributable to interest; dividends; royalties; income from a real estate investment trust, a regulated investment company, a real estate mortgage investment conduit, a common trust fund, a controlled foreign corporation, a qualified electing fund, or a cooperative; income from the disposition of property that produces income of a type defined as portfolio income; and income from the disposition of property held for investment. See IRS Form 1120S for further explanation and examples.

Line 7 – Utah Nonbusiness Income Net of Expenses

Enter the nonbusiness income net of expenses allocated to Utah from Schedule H, line 13.

Note: Do not include as nonbusiness income any income reported on line 6 as portfolio income.

Line 8 – Non-Utah Nonbusiness Income Net of Expenses

Enter the nonbusiness income net of expenses allocated outside Utah from Schedule H, line 26.

Note: Do not include as nonbusiness income any income reported on line 6 as portfolio income.

Line 9 – Total Nonbusiness Income
Add lines 6 through 8.

Line 10 – Apportionable Income (Loss)
Subtract line 9 from line 5.

Line 11 – Apportionment Fraction (Decimal)
Enter 1.000000, or the apportionment fraction (decimal) from Schedule J line 8 or line 12, if applicable.

Line 12 – Utah Apportioned Business Income (Loss)
Multiply the apportionable income (loss) on line 10 by the apportionment fraction on line 11.

Line 13 – Total Utah Income (Loss) Allocated to Pass-through Entity Taxpayers
Add lines 7 and 12.

Line 14 – Total Pass-through Withholding Tax
Enter the total pass-through withholding tax from Schedule N, column I.

This pass-through withholding tax **must** be paid to the Tax Commission by the original due date of the return, without regard to extensions. Use form TC-559, *Corporation/Partnership Payment Coupon* on page 20.

Line 15 – Utah Tax on Built-in and Other Gains
In accordance with the provisions of UC §59-7-701, gains or income subject to the federal corporation tax are also subject to the Utah S corporation tax. The most common transactions that occur under federal provisions include built-in gains, capital gains, LIFO recapture amounts, and any other similar type transaction. These gains or income should be apportioned (see Schedule J) and multiplied by the tax rate of 5%. Attach a schedule to your TC-20S that provides the necessary details of gains or income being reported.

Line 16 – Utah Use Tax
You must pay use tax on all taxable items bought for storage, use or consumption in Utah during the filing year, if sales and use tax was not paid to the seller at the time of purchase. This includes Internet or catalog purchases.

You may take a credit for sales or use tax paid to another state (but not a foreign country). If the other state's tax rate is lower than Utah's, you must pay the difference. If the other state's tax rate is more than Utah's, no credit or refund is given. If sales tax was paid to more than one state, complete a worksheet (on this page) for each state. Add lines 8 on all worksheets and enter the total on line 16 of Schedule A.

Sales and use tax rates vary throughout Utah. Use the chart on this page to get the rate for the location where the merchandise was delivered, stored, used or consumed. Use the county tax rate if the city is not listed.

Grocery food bought through the Internet or catalog is taxed at 3%. The grocery food must be sold for ingestion or chewing by humans and consumed for the substance's taste or nutritional value. The reduced rate does not apply to alcoholic beverages or tobacco. See Pub 25 online at tax.utah.gov/forms for more information.

Enter use tax of \$400 or less. If the amount is over \$400, you must get a sales and use tax license and pay the use tax on a *Sales and Use Tax Return*.

Line 17 – Total Tax
Add lines 14 through 16. Carry this amount to TC-20S, page 1, line 5.

Use Tax Rate Chart (Effective Dec. 31, 2010)			
.0595	Beaver County	.0685	Salt Lake County
.0695	Beaver City	.0835	Alta
.0595	Box Elder County	.0595	San Juan County
.0650	Brigham City, Perry, Willard	.0635	Blanding, Monticello
.0695	Snowville	.0595	Sanpete County
.0630	Cache County	.0625	Ephraim, Fairview, Gunnison, Mt. Pleasant
.0655	Cache Valley Transit, Hyde Park, Lewiston, Millville	.0595	Sevier County
.0660	Hyrum, Logan, Nibley, N. Logan, Providence, Richmond, River Heights, Smithfield	.0605	Aurora, Redmond
.0595	Carbon County	.0625	Richfield
.0625	Wellington	.0635	Salina
.0635	Price	.0605	Summit County
.0695	Daggett County	.0635	Snyderville Basin Transit Park City
.0650	Davis County	.0745	Tooele County
.0660	Bountiful, Centerville, North Salt Lake, West Bountiful, Woods Cross	.0625	Erda, Grantsville, Lakepoint, Lincoln, Stansbury Park
.0595	Duchesne County	.0635	Tooele City
.0605	Duchesne City	.0605	Uintah County
.0635	Roosevelt	.0635	Naples, Vernal
.0595	Emery County	.0650	Utah County
.0775	Green River	.0675	Alpine, American Fork, Eagle Mountain, Highland, Lehi, Lindon, Mapleton, Payson, Pleasant Grove, Provo, Provo Canyon, Salem, Saratoga Springs, Spanish Fork, Springville
.0695	Garfield County	.0685	Cedar Hills, Orem
.0795	Boulder, Panguitch, Tropic	.0595	Wasatch County
.0805	Bryce Canyon	.0625	Heber
.0595	Grand County	.0705	Independence
.0785	Moab	.0735	Midway, Park City East
.0595	Iron County	.0595	Washington County
.0605	Cedar City	.0625	Hurricane, Ivins, La Verkin, St. George, Santa Clara, Washington City
.0785	Brian Head	.0755	Springdale
.0595	Juab County	.0595	Wayne County
.0625	Nephi	.0685	Weber County
.0695	Kane County	.0705	Riverdale
.0795	Kanab, Orderville		
.0595	Millard County		
.0595	Morgan County		
.0595	Piute County		
.0595	Rich County		
.0705	Garden City		

Worksheet for Computing Utah Use Tax
(Retain this worksheet for your records)

- Amount of purchases (except grocery food) subject to use tax \$ _____
- Use tax rate (decimal from chart) x _____
- Multiply line 1 by line 2 \$ _____
- Amount of grocery food purchases subject to use tax \$ _____
- Multiply line 4 by .03 \$ _____
- Add line 3 and line 5 \$ _____
- Credit for sales tax paid to another state on use tax purchases \$ (_____)
- Use tax due (subtract line 7 from line 6) If less than zero, enter "0" \$ _____

Line 18 – Prepayments from Schedule E

Credit is allowed for advance payments made as quarterly estimated tax payments, prepayments and extension payments (form TC-559). Include any overpayment from a prior year that was applied to this year. Use Schedule E to compute the total prepayment.

Line 19 – Amended Returns Only

This line is only used for amended returns. Enter the amount of tax paid with the original return and/or subsequent payments made prior to filing this amended return less any previous refunds (exclude refund interest). A net refund should be entered as a negative amount (preceded by a minus sign).

Line 20 – Total Payments

Add lines 18 and 19. Carry this amount to TC-20S, page 1, line 6.

Instructions for Schedule E – Prepayments of Any Type

Line 1

Enter the amount of any refund applied from the prior year to the current year's liability.

Line 2

List the date, check number and amount of any extension prepayment.

Line 3

List the date, check number and amount of all prepayments made for the filing period. Enter the total amount on line 3. Attach additional pages, if necessary.

Line 4

Add lines 1, 2 and 3. Enter the total on this line and on Schedule A, line 18.

Instructions for Schedule H – Nonbusiness Income Net of Expenses

Determine nonbusiness income allocated to Utah and outside Utah by completing this schedule. All income that arises from the conduct of the trade or business operations of a corporation is business income.

Nonbusiness income means all income other than business income and will be narrowly construed. Intangible income must be properly classified and based upon factual evidence. The burden of proof is on the corporation to justify the manner in which the income is claimed on the return.

Interest income is business income where the intangible with respect to which the interest was received arises out of or was created in the regular course of the taxpayer's trade or business operations, or where the purpose for acquiring and holding the intangible is an integral, functional, or operative component of the taxpayer's trade or business operations, or otherwise materially contributes to the production of business income of the trade or business operations. See Tax Commission Rule R865-6F-8(2)(e)(iii).

Dividends are business income where the stock with respect to which the dividends were received arose out of or was acquired in the regular course of the taxpayer's trade or business operations or where the acquiring and holding of the stock is an integral, functional, or operative component of the taxpayer's trade or business operations, or otherwise materially contributes to the production of business income of the trade or business operations. See Rule R865-6F-8(2)(e)(iv).

Gain or loss from the sale, exchange, or other disposition of real property or of tangible or intangible personal property constitutes business income if the property while owned by the taxpayer was used in, or was otherwise included in the property factor of the taxpayer's trade or business. See Rule R865-6F-8(2)(e)(ii).

Rental income from real and tangible property is business income if the property with respect to which the rental income was received is or was used in the taxpayer's trade or business and therefore is includable in the property factor. See Rule R865-6F-8(2)(e)(i).

Complete Schedule H as follows:

- Complete lines 1a through 13 if the corporation is claiming only Utah nonbusiness income.
- Complete lines 14a through 26 if the corporation is claiming only non-Utah nonbusiness income.
- Complete lines 1a through 26 if the corporation is claiming both Utah and non-Utah nonbusiness income.

Use additional pages, if necessary, to provide complete information, including a description of the business purpose for making the investment, the transactions creating the non-business income, and the use of revenues generated by the non-business investment.

Utah Nonbusiness Income

Lines 1a-1e – Utah Nonbusiness Income

Complete the information in each column and enter the gross Utah nonbusiness income from each class of income being specifically allocated. Use additional pages, if necessary, to provide complete information about additional sources of Utah nonbusiness income.

Line 2 – Total Utah Nonbusiness Income

Add lines 1a through 1e.

Lines 3a-3e – Direct Related Expenses

Describe and enter amounts of direct expenses on the same letter line as the corresponding Utah nonbusiness income is listed on lines 1a through 1e. Direct related expenses include wages, interest, depreciation, etc. (UC §59-7-101(23))

Line 4 – Total Direct Related Expenses

Enter the sum of direct related expenses by adding lines 3a through 3e.

Line 5 – Utah Nonbusiness Income Net of Direct Related Expenses

Subtract line 4 from line 2.

Line 6 – Beginning-of-Year Assets

Enter in column A the total beginning-of-year value of assets used to produce Utah nonbusiness income. Enter in column B the beginning-of-year value of the corporation's total assets. All assets, including Utah assets, should be included in column B.

Line 7 – End-of-Year Assets

Enter in column A the total end-of-year value of assets used to produce Utah nonbusiness income. Enter in column B the end-of-year value of the corporation's total assets. All assets, including Utah assets, should be included in column B.

Line 8 – Sum of Beginning and Ending Asset Values

Add lines 6 and 7 for each respective column.

Line 9 – Average Asset Values

Divide line 8 by 2 for each column.

Line 10 – Utah Nonbusiness Asset Ratio

Divide line 9 column A by line 9 column B.

Line 11 – Interest Expense

Enter the total amount of interest deducted on form 1120S, line 13 and elsewhere on the return.

Line 12 – Indirect Related Expenses for Utah Nonbusiness Income

Multiply line 11 by the ratio on line 10.

Line 13 – Total Utah Nonbusiness Income Net of Expenses

Subtract line 12 from line 5. Enter amount here and on Schedule A, line 7.

Non-Utah Nonbusiness Income

Lines 14a-14e – Non-Utah Nonbusiness Income

Complete the information in each column and enter the gross non-Utah nonbusiness income from each class of income being specifically allocated. Use additional pages, if necessary, to provide complete information about additional sources of non-Utah nonbusiness income.

Line 15 – Total Non-Utah Nonbusiness Income

Add lines 14a through 14e.

Lines 16a-16e – Direct Related Expenses

Describe and enter amounts of direct expenses on the same letter line as the corresponding non-Utah nonbusiness income listed on lines 14a through 14e. Direct related expenses include wages, interest, depreciation, etc. (UC §59-7-101(23)).

Line 17 – Total Direct Related Expenses

Enter the sum of direct related expenses by adding lines 16a through 16e.

Line 18 – Non-Utah Nonbusiness Income Net of Direct Related Expenses

Subtract line 17 from line 15.

Line 19 – Beginning-of-Year Assets

Enter in column A the total beginning-of-year value of assets used to produce non-Utah nonbusiness income. Enter in column B the beginning-of-year value of the corporation's total assets. All assets, including Utah assets, should be included in column B.

Line 20 – End-of-Year Assets

Enter in column A the total end-of-year value of assets used to produce non-Utah nonbusiness income. Enter in column B the end-of-year value of the corporation's total assets. All assets, including Utah assets, should be included in column B.

Line 21 – Sum of Beginning and Ending Asset Values

Add lines 19 and 20 for each respective column.

Line 22 – Average Asset Values

Divide line 21 by 2 for each column.

Line 23 – Non-Utah Nonbusiness Asset Ratio

Divide line 22 column A by line 22 column B.

Line 24 – Interest Expense

Enter the total amount of interest deducted on form 1120S, line 13 and elsewhere on the return.

Line 25 – Indirect Related Expenses for Non-Utah Nonbusiness Income

Multiply line 24 by the ratio on line 23.

Line 26 – Total Non-Utah Nonbusiness Income Net of Expenses

Subtract line 25 from line 18. Enter amount here and on Schedule A, line 8.

Instructions for Schedule J – Apportionment Schedule

Determine the apportionment fraction (decimal) by completing this schedule. The factors express a ratio for tangible property in Utah, for wages and salaries in Utah, and for sales in Utah. These factors are added together and divided by the number of factors present (typically 3) to arrive at the Utah apportionment fraction calculated to **six decimals**. This fraction (decimal) is to be applied to the apportionable income (or loss) on Schedule A to arrive at the amount of income (or loss) apportioned to Utah. In cases where one or more of the factors is omitted due to peculiar aspects of the business operations, divide by the number of factors present.

An election may be made to double weight the sales factor in the apportionment calculation. The election is made by entering an “X” on line 9 and completing lines 10 through 12 on Schedule J.

Income or loss from partnership or joint venture interests must be included in income and apportioned to Utah through application of the three-factor formula consisting of property, payroll and sales.

For apportionment purposes, the portion of partnership or joint venture property, payroll and sales to be included in the corporation’s property, payroll and sales factors must be computed on the basis of the corporation’s ownership interest in the partnership or joint venture.

Briefly describe the nature and location(s) of your Utah business activities in the space provided at the top of this schedule.

Lines 1a - 1f – Property Factor

Show the average cost value during the taxable year of real and tangible personal property used in the business within Utah (including leased property) in column A and overall (including Utah) in column B.

Property owned by the corporation is valued at its original cost. Property rented by the corporation is valued at eight times the net annual rental rate. Net annual rental rate is the annual rental rate paid by the corporation less the annual rate received by the corporation from sub-rentals.

The average value of property must be determined by averaging the cost values at the beginning and end of the tax period. However, monthly values may be used or required if monthly averaging more clearly reflects the average value of the corporation’s property.

A supporting schedule should be attached whenever monthly averaging is used.

Enter totals of lines 1a through 1e in their respective columns on line 1f.

Line 2 – Property Factor Calculation

Determine the property factor (decimal) by dividing line 1f column A by line 1f column B.

Line 3 – Payroll Factor

Wages, salaries, commissions and other includable compensation paid to employees for personal services must be included in the Utah factor to the extent the services, for which the compensation was paid, were rendered in Utah.

Compensation is paid in Utah if:

1. The individual’s service is performed entirely within Utah;
2. The individual’s service is performed both within and outside Utah, but the service performed outside Utah is incidental to the individual’s service within Utah; or
3. Some of the service is performed in Utah and:
 - a. The base of operations or, if there is no base of operations the place where the service is directed or controlled, is within Utah, or
 - b. The base of operations, or the place where the service is directed or controlled is not in any state where some part of the service is performed, but the individual’s residence is in Utah.

Amounts reportable for employment security purposes may ordinarily be used to determine the wage factor.

Overall wages, including Utah, are listed in column B.

Line 4 – Payroll Factor Calculation

Determine the payroll factor (decimal) by dividing line 3a column A by line 3a column B.

Lines 5a - 5h – Sales Factor

The sales factor is the fraction the sales/receipts within Utah for the taxable year bear to the overall sales/receipts for the taxable year. Gross receipts from the performance of services are in Utah to the extent the services are performed in Utah.

Corporations that perform a service both in and outside Utah must include on line 5g in column A (Inside Utah) any amount of service income if the service buyer receives a greater benefit of the service in Utah than in any other state. The former “cost of performance” method no longer applies. (See UC §59-7-319(3)(a).)

Sales of tangible personal property are in Utah if the property is delivered or shipped to a purchaser within Utah regardless of the F.O.B. point or other conditions of the sale, or if the property is shipped from an office, store, warehouse, factory or other place of storage in Utah and:

1. the purchaser is the United States Government, or
2. the corporation is not taxable in the state of the purchaser.

Overall sales, including Utah, are listed in column B.

Note: Securities brokerage businesses must follow the provisions in UC §59-7-319(6).

Enter totals of lines 5a through 5g in their respective columns on line 5h.

Line 6 – Sales Factor Calculation

Determine the sales factor (decimal) by dividing line 5h column A by line 5h column B.

Equally-Weighted Three Factor Formula Election

If you *are not* electing the double-weighted sales factor (see lines 9 through 12 below), complete lines 7 and 8. If you are electing the double-weighted sales factor, leave lines 7 and 8 blank.

Line 7 – Total Factors

Enter the sum of the factors from lines 2, 4 and 6.

Line 8 – Apportionment Fraction

Calculate the apportionment fraction to six decimals by dividing line 7 by the number of factors used (typically 3 – property, payroll and sales).

- If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f, 3a or 5h in column B), divide by the number of factors present.
- If the numerator is zero, but a denominator is present, include that factor in the number of factors present.

Enter the apportionment fraction (decimal) here and on Schedule A, line 11, if not electing the double-weighted sales factor below.

Double-Weighted Sales Factor Formula Election

You may elect to give double-weight to the sales factor in the apportionment calculation. If you elect this calculation, enter an “X” on line 9 and complete lines 10 through 12.

Line 9 – Making the Election

Enter an “X” on line 9 if you elect to double-weight the sales factor.

Line 10 – Doubled Sales Factor

Multiply the sales factor (decimal) from line 6 above by 2. This will result in the sales factor being considered twice in the calculation.

Line 11 – Total Factors

Enter the sum of the factors from lines 2, 4 and 10.

Line 12 – Elected Apportionment Fraction

Calculate the elected, double-weighted sales factor to six decimals by dividing line 11 by the number of factors used (typically 4 – property, payroll and two times the sales factor).

- If one or more of the factors are not present (i.e., there is a zero in the denominator on lines 1f or 3a in column B), divide by the number of factors present (allowing two factors for sales).
- If the numerator is zero, but a denominator is present, include that factor in the number of factors present.

Enter the apportionment fraction (decimal) here and on Schedule A, line 11.

Specialized Apportionment Laws and Rules

Specialized apportionment procedures apply for:

- Trucking Companies (R865-6F-19)
- Railroads (R865-6F-29)
- Publishing Companies (R865-6F-31)
- Financial Institutions (R865-6F-32)
- Telecommunication (R865-6F-33)
- Registered Securities or Commodities Broker or Dealer (R865-6F-36)
- Airlines (UC §§59-7-312 through 319)
- Sale of Management, Distribution or Administration Services to or on Behalf of a Regulated Investment Company (UC §59-7-319(5))

Instructions for Schedule K – Shareholders’ Pro Rata Share Items

Attach the Utah TC-20S, Schedule K to show the S corporation’s income, gains, losses, deductions, and Utah credits that are distributed to the shareholders.

Number of Schedules K-1 attached to this return

Enter the number of Utah Schedules K-1 that are attached to this S corporation return and issued to shareholders.

Line 1 – Ordinary Business Income (Loss)

Enter in the first column the federal ordinary business income (loss) from line 1 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 2 – Net Rental Real Estate Income (Loss)

Enter in the first column the federal net rental real estate income (loss) from line 2 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 3 – Other Net Rental Income (Loss)

Enter in the first column the federal other net rental income (loss) from line 3c of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 4 – U.S. Government Interest Income

Enter in the first column the federal U.S. government interest income included in line 4 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 5 – Other Interest Income

Enter in the first column the federal interest income from line 4 of the federal Schedule K, minus the amount of U.S. government interest reported on line 4 above. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 6 – Ordinary Dividends

Enter in the first column the federal ordinary dividends from line 5a of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 7 – Royalties

Enter in the first column the federal royalties from line 6 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 8 – Net Short-term Capital Gain (Loss)

Enter in the first column the federal net short-term capital gain (loss) from line 7 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 9 – Net Long-term Capital Gain (Loss)

Enter in the first column the federal net long-term capital gain (loss) from line 8a of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 10 – Net Section 1231 Gain (Loss)

Enter in the first column the federal net section 1231 gain (loss) from line 9 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 11 – Recapture of Section 179 Deduction

Enter in the first column the federal recapture of a benefit from a deduction under Section 179 from line 17d, code “L” of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 12 – Other Income (Loss)

Enter in the first column the federal other income (loss) from line 10 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1. Describe the type of income in the space provided.

Line 13 – Section 179 Deduction

Enter in the first column the federal section 179 deduction from line 11 of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 14 – Contributions

Enter in the first column the federal contributions from line 12a of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 15 – Investment Interest Expense

Enter in the first column the federal investment interest expense from line 12b of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 16 – Section 59(e)(2) Expenditures

Enter in the first column the federal section 59(e)(2) expenditures from line 12c(2) of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 17 – Foreign Taxes Paid or Accrued

Enter in the first column the federal foreign taxes paid or accrued from line 14I of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1.

Line 18 – Other Deductions

Enter in the first column the federal other deductions from line 12d of the federal Schedule K. Enter in the Utah column the total reported on all Utah Schedules K-1. Describe the type of deduction in the space provided.

Line 19 – Utah Nonrefundable Credits

In the Utah column, enter the Utah nonrefundable credits being distributed to the shareholders. Describe the nonrefundable credit in the space provided, and enter the Utah code for the credit (see *Nonrefundable Credits*, below).

Line 20 – Utah Refundable Credits

In the Utah column, enter the Utah refundable credits being distributed to the shareholders. Describe the refundable credit in the space provided, and enter the Utah code for the credit (see *Refundable Credits*, below).

Line 21 – Total Utah Tax Withheld on Behalf of All Shareholders

In the Utah column, enter the total amount of Utah withholding tax withheld on behalf of all the shareholders who are pass-through entity taxpayers by the S corporation, and for whom the waiver from withholding was not requested. This amount must match the total pass-through withholding tax on Schedule N, column I for all pass-through entity taxpayers who have Utah withholding tax withheld.

Nonrefundable Credits – Codes and Instructions

- 02 Qualified Sheltered Workshop Cash Contribution Credit
- 04 Capital Gain Transactions Credit
- 05 Clean Fuel Vehicle Credit (TC-40V)
- 06 Historic Preservation Tax Credit
- 07 Enterprise Zone Tax Credit
- 08 Low-Income Housing Tax Credit
- 10 Recycling Market Development Zone Credit (TC-40R)
- 12 Credit for Research Activities in Utah
- 13 Credit for Machinery and Equipment Used to Conduct Research
- 21 Renewable Residential Energy Systems Credit (TC-40E)
- 24 Qualifying Solar Project Credit

(02) Qualified Sheltered Workshop Cash Contribution Credit (UC §59-10-1004)

Cash contributions made in the taxable year to a qualified Utah nonprofit rehabilitation sheltered workshop facility for persons with disabilities are eligible for the credit. Check with the workshop to make sure they have a current Day Training Provider License or Day Support Provider Certificate issued by the Department of Human Services. The credit is the lesser of \$200 or 50 percent of the total cash contributions.

There is no form for this credit. Keep all related documents with your records. The shareholder must list the qualified workshop name on their return to claim the credit. Enter this name on Schedules K and K-1.

Contact the Contract Administrator, Division of Services for People with Disabilities, 195 N 1950 W, SLC, UT 84116, 801-538-4200; or go to www.dspd.utah.gov for more information.

(04) Capital Gain Transactions Credit (UC §59-10-1022)

You may claim a credit for the short-term and long-term capital gain on a transaction if:

- a. The transaction occurs on or after Jan. 1, 2008;
- b. At least 70 percent of the gross proceeds of the transaction are used to buy stock in a qualified Utah small business corporation within 12 months from when the capital gain transaction occurred; and
- c. You did not have an ownership interest in the qualified Utah small business corporation at the time of investment.

See incometax.utah.gov/credits/capital-gains.html or refer to UC §59-10-1022 for more information.

There is no form for this credit. Keep all related documents with your records.

Calculation of Capital Gain Transactions Tax Credit

- 1. Eligible short-term or long-term capital gain \$ _____
- 2. Multiply line 1 by 5% (.05). This is the credit. \$ _____

(05) Clean Fuel Vehicle Credit (UC §59-10-1009)

This credit is available for the following four conditions:

- 1. you purchase a new vehicle that meets air quality and fuel economy standards;
- 2. you purchase a qualified vehicle fueled by compressed natural gas;
- 3. you purchase equipment to convert a vehicle to run on propane, natural gas, electricity, or other approved fuel; and
- 4. you purchase equipment to convert a special mobile equipment engine to operate on propane, natural gas, electricity, or other approved fuel.

The credit may only be claimed once per vehicle. See instructions on form TC-40V for more information.

Complete form TC-40V, *Clean Fuel Vehicle Tax Credit*, with the Division of Air Quality approval stamp, verifying the credit is approved. Do not send form TC-40V with your return. Keep the form and all related documents with your records.

To obtain form TC-40V, approval, and for more information, contact:

Division of Air Quality
195 N 1950 W
PO Box 144820
SLC, UT 84114-4820
801-536-4000
www.cleanfuels.utah.gov/taxcredits/taxcreditsintro.htm

(06) Historic Preservation Tax Credit (UC §59-10-1006)

The credit is for costs to restore any residential certified historic building.

Complete form TC-40H, *Historic Preservation Tax Credit*, with the State Historic Preservation Office certification, verifying the credit is approved. Do not send form TC-40H with your return. Keep the form and all related documents with your records.

Contact:

State Historic Preservation Office
300 S Rio Grande St
SLC, UT 84101
801-533-3500
[history.utah.gov/historic_buildings/
financial_assistance/index.html](http://history.utah.gov/historic_buildings/financial_assistance/index.html)

**(07) Enterprise Zone Credit
(UC §63M-1-413)**

An individual or business may not claim the enterprise zone credit or carry it forward into a year the individual or business has claimed either the recycling market development zone credit (nonrefundable credit, code 10) or the targeted business tax credit (refundable credit, code 40).

The Enterprise Zone Credit is available for certain businesses that hire new full-time employees, restore buildings, or meet certain other requirements in a designated zone. Indian tribes may apply for enterprise zone designation within an Indian reservation.

If enterprise zone credits are being taken based on your ownership in a partnership or S corporation, you must allocate the credits as determined under IRC §704.

There is no form for this credit. Keep all related documents with your records.

For more information, contact:

Governor's Office of Economic Development
324 S State St, Suite 500
SLC, UT 84111
801-538-8804
goed.utah.gov/incentives/enterprise_zones

**(08) Low-Income Housing Credit
(UC §59-10-1010)**

Individuals sharing in the credit must obtain form TC-40TCAC, *Utah Low-Income Housing Tax Credit Allocation Certification*, and complete form TC-40LI, *Summary of Utah Low-Income Housing Tax Credit*. Do not send these forms with your return. Keep the forms and all related documents with your records.

The building project owner must complete and attach form TC-40LIS, *Credit Share Summary of Low-Income Housing Project*, to the return.

This credit is an amount determined by the Utah Housing Corporation for owners of a low-income housing project who have received an allocation of the federal low-income housing tax credit.

When this credit applies, the project owner will provide form TC-40TCAC (issued by the Utah Housing Corporation) to the taxpayer.

For more information, contact:

Utah Housing Corporation
2479 S Lake Park Blvd
West Valley City, UT 84120
801-902-8200
www.utahhousingcorp.org

**(10) Recycling Market Development Zone Credit
(UC §59-10-1007)**

An individual or business may not claim the recycling market development zone credit or carry it forward into a year the individual or business has claimed either the enterprise zone credit (nonrefundable credit, code 07) or the targeted business tax credit (refundable credit, code 40).

The Recycling Market Development Zone Tax Credit has been repealed for qualified machinery or equipment purchased or for other qualified expenditures made after June 30, 2010.

The credit is available to individuals and businesses operating in a designated recycling market development zone.

Complete form TC-40R, *Recycling Market Development Zone Tax Credit*, with the Governor's Office of Economic Development certification verifying the credit is approved. Do not send form TC-40R with your return. Keep the form and all related documents with your records.

To obtain form TC-40R, certification, and for more information, contact:

Governor's Office of Economic Development
324 S State St, Suite 500
SLC, UT 84111
801-538-8804
goed.utah.gov/relocate/incentives

**(12) Credit for Research Activities in Utah
(UC §59-10-1012)**

The credit is:

1. 5% of your qualified expenses for increasing research activities in Utah above a base amount,
2. 5% of certain payments made to a qualified organization increasing basic research in Utah above a base amount, and
3. 9.2% of your qualified research expenses for a taxable year beginning in 2010.

There is no form for this credit. Keep all related documents with your records.

**(13) Credit for Machinery and Equipment Used to Conduct Research
(UC §59-10-1013)**

The credit is:

1. 6% of the cost of machinery or equipment used primarily to conduct qualified research in Utah for 12 or more consecutive months, and

2. 6% of the cost of machinery or equipment donated to a qualified organization and used primarily to conduct basic research in Utah for 12 or more consecutive months.

If machinery or equipment for which this credit was claimed is used for less than 12 consecutive months for qualified research, an amended return must be filed for the year the credit was claimed, the credit deleted from the return, and any increase in tax paid. See amended return instructions on page 4.

There is no form for this credit. Keep all related documents with your records.

(21) Renewable Residential Energy Systems Tax Credit (UC §59-10-1014)

This credit is for reasonable costs, including installation, of a residential energy system that supplies energy to a residential unit in Utah. If the residence is sold to a non-business entity before claiming the tax credit, you may irrevocably transfer the right to the credit to the new owner. Additional residential energy systems or parts may be claimed in subsequent years as long as the total amount claimed does not exceed \$2,000 per residential unit. The principal portion of the lease payments may qualify for the credit, if the lessor irrevocably elects not to claim the credit.

Form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, must be obtained from the Utah Geological Survey with their certification stamp, verifying the credit is approved and showing the amount of the approved credit. Do not send form TC-40E with your return. Keep the form and all related documents with your records.

For more information, contact:

Utah Geological Survey (UGS)
 1594 W North Temple
 Box 146100
 SLC, UT 84114-6100
 801-537-3300
geology.utah.gov/sep/incentives/index.htm

(24) Qualifying Solar Project Credit (UC §59-10-1024)

You may claim a credit of 25 percent of the amount paid to buy one or more solar units from a qualifying political subdivision, up to a maximum credit of \$2,000. This credit is in addition to any other energy credit you claim.

A qualifying solar unit is a portion of the electrical output of an active solar project constructed, controlled or owned by a qualifying political subdivision, which generates electricity furnished to and for the benefit of one or more residential units, and is sold to the taxpayer in exchange for a credit on the taxpayer's electrical bill.

There is no form for this credit. Keep all related documents with your records.

Calculation of Qualifying Solar Project Credit

1. Amount paid for solar unit(s) \$ _____
2. Multiply line 1 by 25% (.25) \$ _____
3. Maximum allowable credit \$2,000
4. Enter lesser of line 2 or line 3. \$ _____

This is your credit.

Contact your city or electrical utility provider or see UC §59-10-1024 for more information.

Refundable Credits – Codes and Instructions

- 36 Previous Pass-through Entity Withholding Tax
- 39 Renewable Commercial Energy Systems Credit (TC-40E)
- 40 Targeted Business Tax Credit (TC-40TB)
- 46 Mineral Production Withholding Tax Credit (TC-675R)
- 47 Agricultural Off-highway Gas/Undyed Diesel Fuel Credit
- 48 Farm Operation Hand Tools Credit

(36) Previous Pass-through Entity Withholding tax (UC §59-10-1103)

If this S corporation has an interest in a partnership, LLP or LLC (pass-through entity), the other partnership, LLP or LLC is required to withhold Utah income tax on any income attributable to this S corporation. The pass-through entity must provide a Utah Schedule K-1 showing the amount of Utah withholding paid on behalf of this S corporation.

This pass-through entity withholding tax is then distributed to the shareholders of this S corporation. Enter and allocate the total previous pass-through entity withholding tax using code 36.

Attach copies of Utah Schedule K-1(s) to the return to receive proper credit.

(39) Renewable Commercial Energy Systems Tax Credit (UC §59-10-1106)

This credit is for reasonable costs, including installation, of a commercial energy system that is an active solar system, a direct-use geothermal system, a geothermal heat-pump system, a hydro-energy system, or a passive solar system. Credit is also allowed for a commercial system that uses wind, geothermal electricity, or biomass equipment.

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Utah Geological Survey with their certification stamp, verifying the credit is approved and showing the amount of the approved credit. Do not send this form with your return. Keep the form and all related documents with your records.

For more information, contact:

Utah Geological Survey (UGS)
1594 W North Temple
Box 146100
Salt Lake City, UT 84114-6100
801-537-3300
geology.utah.gov/sep/incentives/index.htm

**(40) Targeted Business Tax Credit
(UC §63M-1-504)**

A business may not claim the targeted business tax credit in the same year the business claims the enterprise zone credit (nonrefundable credit, code 07) or the recycling market development zone credit (nonrefundable credit, code 10).

A credit is available to businesses providing a community investment project as defined in UC §§63M-1-501 through 63M-1-503. Get a certified copy of form TC-40TB, *Targeted Business Tax Credit*. Keep this form and all related documents with your records.

To obtain form TC-40TB, certification, and for additional information, contact:

Governor's Office of Economic Development
324 S State St., Suite 500
Salt Lake City, UT 84111
801-538-8804
goed.utah.gov/incentives/enterprise_zones

**(46) Mineral Production Withholding Tax Credit
(UC §59-6-102)**

Enter the total of the mineral production tax withheld as shown on forms TC-675R or Utah Schedule K-1(s) for the tax year. For a fiscal year corporation, the credit is reported on the corporate return required to be filed during the year following the December closing period of the form TC-675R.

Attach copies of form TC-675R or Utah Schedule K-1(s) to the return to receive proper credit.

**(47) Agricultural Off-Highway Gas/
Undyed Diesel Fuel Credit
(UC §59-13-202)**

You may claim a credit of 24.5 cents per gallon for motor fuel and undyed diesel fuel bought in Utah to operate stationary farm engines and self-propelled farm machinery used solely for commercial nonhighway agricultural use if the fuel was taxed at the time it was bought.

Activities that do not qualify for this credit include (but are not limited to) the following: golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, and personal farming.

Credit calculation:

Gallons _____ x .245 = Credit _____

There is no form for this credit. Keep all related documents with your records.

**(48) Farm Operation Hand Tools Credit
(UC §59-10-1105)**

This credit is for sales and use tax paid on hand tools purchased and used or consumed primarily and directly in a farming operation in Utah. The credit only applies if the purchase price of a tool is more than \$250.

There is no form for this credit. Keep all related documents with your records.

Instructions for Schedule K-1 – Shareholder's Share of Utah Income, Deductions and Credits

Complete a Utah TC-20S, Schedule K-1 for each shareholder, showing the share of income, gains, losses, deductions, and Utah credits that are distributed to the shareholder.

S Corporation Information

Line A – Enter the S corporation's federal identification number.

Line B – Enter the complete name and address of the S corporation.

Shareholder Information

Line C – Enter the shareholder's social security or federal employer identification number.

Line D – Enter the shareholder's complete name and address.

Line E – Enter the percent of ownership the shareholder has in the S corporation.

Other Information

Enter any additional information or explanation of entries needed by the shareholder in order to complete the shareholder's individual Utah return.

Line 1 – Utah Ordinary Business Income (Loss)

Enter each shareholder's pro rata share of Utah ordinary business income (loss) reported on the Utah Schedule A, line 13, less any amount reported on their Utah Schedule K-1, lines 2 through 12, less the sum of lines 13, 15, 16 and 18.

Line 2 – Utah Net Rental Real Estate Income (Loss)

Enter each shareholder's pro rata share of Utah net rental real estate income (loss) included in the amount reported on the Utah Schedule A, line 13.

Line 3 – Utah Other Net Rental Income (Loss)

Enter each shareholder's pro rata share of Utah other net rental income (loss) included in the amount reported on the Utah Schedule A, line 13.

Line 4 – Utah U.S. Government Interest Income

Enter each shareholder's pro rata share of Utah U.S. government interest income included in the amount reported on the Utah Schedule A, line 13.

Line 5 – Utah Other Interest Income

Enter each shareholder's pro rata share of Utah other interest income included in the amount reported on the Utah Schedule A, line 13.

Line 6 – Utah Ordinary Dividends

Enter each shareholder's pro rata share of Utah ordinary dividends included in the amount reported on the Utah Schedule A, line 13.

Line 7 – Utah Royalties

Enter each shareholder's pro rata share of Utah royalties included in the amount reported on the Utah Schedule A, line 13.

Line 8 – Utah Net Short-term Capital Gain (Loss)

Enter each shareholder's pro rata share of Utah net short-term capital gain (loss) included in the amount reported on the Utah Schedule A, line 13.

Line 9 – Utah Net Long-term Capital Gain (Loss)

Enter each shareholder's pro rata share of Utah net long-term capital gain (loss) included in the amount reported on the Utah Schedule A, line 13.

Line 10 – Utah Net Section 1231 Gain (Loss)

Enter each shareholder's pro rata share of Utah net section 1231 gain (loss) included in the amount reported on the Utah Schedule A, line 13.

Line 11 – Recapture of Section 179 Deduction

Enter each shareholder's pro rata share of any recapture of a Section 179 deduction included in the amount reported on the Utah Schedule A, line 4.

Line 12 – Utah Other Income (Loss)

Enter each shareholder's pro rata share of Utah other income (loss) included in the amount reported on the Utah Schedule A, line 13.

Line 13 – Utah Section 179 Deduction

Enter each shareholder's pro rata share of Utah section 179 deduction included in the amount reported on the Utah Schedule A, line 13.

Line 14 – Utah Contributions

Enter each shareholder's pro rata share of Utah contributions included in the amount reported on the Utah Schedule A, line 2.

Line 15 – Utah Investment Interest Expense

Enter each shareholder's pro rata share of Utah investment interest expense included in the amount reported on the Utah Schedule A, line 13.

Line 16 – Utah Section 59(e)(2) Expenditures

Enter each shareholder's pro rata share of Utah section 59(e)(2) expenditures included in the amount reported on the Utah Schedule A, line 13.

Line 17 – Foreign Taxes Paid or Accrued

Enter each shareholder's pro rata share of Utah foreign taxes paid or accrued included in the amount reported on the Utah Schedule A, line 3.

Line 18 – Utah Other Deductions

Enter each shareholder's pro rata share of Utah other deductions included in the amount reported on the Utah Schedule A, line 13. Enter the description as shown on the Schedule K in the space provided.

Line 19 – Utah Nonrefundable Credits

Enter each shareholder's pro rata share of Utah nonrefundable credits reported on the Utah Schedule K, line 19. Also enter the description and the Utah nonrefundable credit code as shown on the Schedule K.

Line 20 – Utah Refundable Credits

Enter each shareholder's pro rata share of Utah refundable credits reported on the Utah Schedule K, line 20. Also enter the description and the Utah refundable credit code as shown on the Schedule K.

Line 21 – Utah Tax Withheld on Behalf of Shareholder

Enter the amount of Utah withholding tax withheld on behalf of this shareholder if treated as a pass-through entity taxpayer and calculated on Schedule N, and for whom the waiver from withholding was not requested (see instructions on page 18). This amount will be claimed on the shareholder's individual Utah return.

Enter an "X" if the S corporation entered a "1" in the **Withholding Waiver Request** box at the top of Schedule N to not withhold Utah tax on all pass-through entity taxpayers, or if the S corporation entered a "2" in the **Withholding Waiver Request** box at the top of Schedule N and entered an "X" on line B of Schedule N for this specific shareholder.

Provide each shareholder a copy of their Utah Schedule K-1.

Instructions for Schedule M – Qualified Subchapter S Subsidiaries

An S corporation that has made a Qualified Subchapter S Subsidiary (QSSS) election under IRC 1361(b) must complete Schedule M if any subsidiaries for which such election was made are incorporated, qualified or doing business in Utah. Federal schedules are not acceptable as substitutes.

Use of any other form as a substitute for Schedule M is only acceptable with prior approval from the Tax Commission. Refer to Pub 99, *Guidelines for Substitute and Copied Utah Tax Forms*.

List only corporations incorporated, qualified or doing business in Utah. Corporations not listed on Schedule M will not be considered to have met the Utah filing requirements.

Instructions for Schedule N – Pass-through Entity Withholding Tax

The S corporation, as a pass-through entity, must pay or withhold tax on behalf of each nonresident individual shareholder and each resident or nonresident trust business shareholder (collectively referred to as pass-through entity taxpayers) unless a withholding waiver request is made (see below). An S corporation is not required to withhold on a shareholder that is exempt from the tax under UC §59-7-102(1)(a).

Ownership Percent: A shareholder's share of taxable income is based on the ratio of stock held by the shareholder to the total outstanding stock on the last day of the corporate filing period, unless there was a change in ownership during the filing period. If there was a change in shareholders or in the relative interest in stock the shareholders owned, each shareholder's percentage of ownership is prorated by the number of days the stock was owned during the filing period.

Shareholders may take a credit for the amount of tax paid by the S corporation on their behalf. To claim the credit, the shareholder must file a Utah income tax return for the taxable year. A shareholder subject to withholding by the S corporation and who has no other Utah source income may elect to forego the credit and not file a Utah income tax return. However, shareholders with income or loss from other Utah sources must file a Utah income tax return. A shareholder who is eligible for Utah tax credits, in addition to the pass-through tax withheld, must file a Utah income tax return to claim those credits.

If the shareholder is a pass-through entity, it must file a Utah return to report its income/loss and withholding allocations to its partners/members/shareholders.

S corporations having shareholders for whom withholding is required must complete Schedule N showing the amount of Utah income attributable to the shareholders, the amount of Utah tax on such income (5%), any Utah mineral production withholding tax and previous Utah pass-through entity withholding tax credited to the shareholders, and the net amount of withholding tax this S corporation must pay on behalf of such shareholders. Use additional forms TC-20S, Schedule N, if needed.

Withholding Waiver Request (UC §59-10-1403.2(5))

You may request a waiver from the requirement to withhold Utah income tax on pass-through entity taxpayers by entering a "1" in the box if the waiver is for **all** shareholders, or a "2" if the waiver is for only certain shareholders. Also enter an "X" on line B and a "0" in column F for each shareholder for whom the waiver is requested.

Requesting the waiver for all or specific shareholders does not relieve the S corporation from the responsibility for the payment of Utah tax on the distribution to shareholders if the shareholders do not pay. If the shareholder or shareholders for whom you requested a waiver fail to file a return and make the required payment in a timely manner, you will be liable for the withholding on those amounts, plus any associated penalties and interest.

Line A – Name of Shareholder (Pass-through Entity Taxpayer)

Enter the name of each nonresident individual shareholder, or resident or nonresident trust shareholder (referred to as a pass-through entity taxpayer).

Line B – Withholding Waiver for this Shareholder
If you entered either a “1” or a “2” in the **Withholding Waiver Request** box at the top of the Schedule N, enter an “X” on line B if this shareholder is included in the waiver request.

If you check this box, enter a “0” on line F for the shareholder.

Line C – SSN/EIN of Shareholder

Enter the social security number (SSN) of each nonresident individual shareholder, or the federal employer identification number (EIN) of each resident or nonresident business shareholder.

Line D – Percent of Ownership in S Corporation by Shareholder

Enter the percent of the S corporation the pass-through entity taxpayer owns, to four decimal places. See Schedule N instructions on page 18.

Line E – Income (Loss) Attributable to Utah

Enter the income (loss) attributable to Utah and taxable to the pass-through entity taxpayer.

Calculate this income for a pass-through entity taxpayer by multiplying the amount on Schedule A, line 13 by each pass-through entity taxpayer’s percentage shown on line D.

Line F – 5% of Income

Multiply the amount of income attributable to Utah for each pass-through entity taxpayer (line E) by 5%. If the amount on line E is a loss, enter “0.” Also enter “0” if the waiver request has been requested for this shareholder (box B checked).

Line G – Mineral Production Withholding Credit

Enter the amount of any mineral production withholding tax and allocated by the S corporation to the pass-through entity taxpayer. The credit for mineral production withholding tax reduces the amount of Utah withholding tax that is calculated for this shareholder on Schedule N. The credit should also be reported on line 20 of Schedule K-1 for this shareholder.

Line H – Previous Pass-through Entity Withholding Tax

Enter the amount of any pass-through entity withholding tax paid by a previous pass-through entity, attributable to this S corporation, and allocated to the pass-through entity taxpayer of this S corporation. The credit for previous pass-through entity withholding tax reduces the amount of Utah withholding tax calculated for this shareholder on Schedule N. The credit should also be reported on line 20 of Schedule K-1 for this shareholder.

Line I – Pass-through Entity Withholding

Subtract the total of the credits on lines G and H from the tax calculated on line F for each pass-through entity taxpayer. Do not enter an amount less than zero.

The pass-through entity withholding tax shown in column I is the withholding tax this corporation must withhold or pay on behalf of the pass-through entity taxpayer. This withholding tax is to be reported on line 21 of Utah Schedule K-1 given to the shareholder.

Total Pass-through Entity Withholding

Add the pass-through withholding in column I for all shareholders. Enter this total at the bottom of the Schedule N and carry it over to Schedule A, line 14 and to Schedule K, line 21.

Pass-through Withholding Tax Calculation Summary

The Utah withholding tax for shareholders who are pass-through entity taxpayers and for whom the waiver is not requested is calculated as follows:

1. Line E – Enter the income allocated to Utah for the shareholder.
2. Line F – Multiply the income on line E by the Utah tax rate of 5% (.05).
3. Line G – Enter any Utah mineral production withholding tax allocated to this shareholder and which is used to reduce the amount of Utah withholding tax calculated.
4. Line H – Enter any previous Utah withholding tax passed-through to this corporation by a previous pass-through entity and allocated to this shareholder, and which is used to reduce the amount of Utah withholding tax calculated.
5. Line I – Enter the tax from column F less the sum of the allocated Utah mineral production withholding tax in column G and the previous pass-through withholding tax in column H. This is the pass-through withholding tax that must be paid by the corporation on behalf of the shareholder. Do not enter an amount less than zero.



Utah State Tax Commission
Corporate/Partnership Payment Coupon

TC-559
 Rev. 12/10

Payment Coupon

Use payment coupon TC-559 to make the following corporate/partnership tax payments:

- 1) Estimated tax payments
- 2) Extension payments
- 3) Return payments

Mark the circle on the coupon that shows the type of payment you are making.

Corporation Estimated Tax Requirements

Every corporation with a tax liability of \$3,000 or more in the current or previous tax year must make quarterly estimated tax payments. A parent company filing a combined report must make the payment when the total tax is \$3,000 or more for all affiliated companies, including those that pay only the minimum tax.

A corporation does not have to make estimated tax payments the first year it is required to file a Utah return if it makes a payment on or before the due date, without extension, equal to or greater than the minimum tax.

Estimated tax payments are due in four equal payments on the 15th day of the 4th, 6th, 9th and 12th months of the entity's taxable year. You may make quarterly payments equal to 90% of the current year tax or 100% of the previous year tax. A corporation that had a tax liability of \$100 (the minimum tax) for the previous year may prepay the minimum tax amount of \$100 on the 15th day of the 12th month instead of making four \$25 payments.

The Tax Commission will charge an underpayment penalty to entities that fail to make or underpay the required estimated tax.

Extension Payment Requirements

A corporation/partnership will have an automatic filing extension if it makes the necessary extension payment by the return due date. The estimated tax payments must equal at least the lesser of:

- 1) 90 percent of the current year tax liability (or the \$100 corporation minimum tax, if greater), or
- 2) 100 percent of the previous-year tax liability.

The remaining tax, plus any penalty and interest, is due when the return is filed.

Note: A pass-through entity (partnership or S corporation) must pay 100% of any pass-through withholding by the original due date to avoid penalties and interest.

Penalties and Interest

If your tax payments do not equal the lesser of 90% of the current year tax liability (\$100 minimum tax for corporations) or 100% of the previous year tax liability, we will assess a penalty of 2% of the unpaid tax for each month of the extension period. We will also assess a late payment penalty if you do not pay the entire balance (tax, penalty and interest) when you file the return. We will assess a late filing penalty if you file the return after the extension due date.

We will assess interest at the legal rate from the original due date until paid in full.

See Pub 58, *Utah Interest and Penalties*, online at tax.utah.gov/forms.

Where to File

Send your payment coupon and payment to :

Corporate/Partnership Tax Payment
 Utah State Tax Commission
 210 N 1950 W
 Salt Lake City, UT 84134-0180

Electronic Payment

You may pay your estimated tax payments, extension payments and return payments online at taxexpress.utah.gov.

Separate and return only the bottom portion.

Tax Payment Coupon for Utah Corporation/Partnership, TC-559

TC-559 Rev. 12/10

Federal EIN

Taxable Year Ending (mm/dd/yyyy)

Estimated payment:

- 1st qtr. 3rd qtr. Extension payment
 2nd qtr. 4th qtr. Return payment

Amount Paid:

Make check or money order payable to the Utah State Tax Commission. **Do not send cash. Do not staple check to coupon. Do not send check stub.**

Name of corporation/partnership		
Address		
City	State	ZIP Code

USTC use only

Mail to: Utah State Tax Commission. 210 N 1950 W. SLC UT 84134-0180

C
P
T

Common Return Errors

1. **Utah sales factor on Schedule J** – Out-of-state corporations qualified in Utah, but not doing business in Utah, are required to file a Utah corporate return. However, sales into Utah are not required to be included in the gross receipts numerator, except as provided under Rule R-865-6F-24. Conversely, corporations making sales from Utah into a state where they are qualified but not doing business are required to include such sales in the Utah gross receipts numerator as throwback sales.
2. **Dissolution or withdrawal** – Corporations no longer in business or no longer doing business in Utah are required to legally dissolve or withdraw the corporation. See instructions on page 2.



Please arrange your return in the following order:

1. Utah form TC-20S
2. Utah Schedules A through N (if required) in alphabetical order, except Schedules K-1
3. Utah Schedules K-1 for each shareholder
4. Federal extension form, if applicable
5. A copy of the Federal form 1120S, pages 1 through 4 only (plus Schedule M-3, if applicable)
6. **Do not attach federal Schedules K-1**
7. Other supporting documentation as required in these instructions