

Utah 2013



Note:

If you itemized your deductions and the amount you enter on TC-40, line 4 is over \$150,000, use the "Line 14 Worksheet" at the back of these instructions to calculate the amount to enter on TC-40, line 14.

Individual Income Tax TC-40 Forms & Instructions

All state income tax dollars fund education.

WHEN?

DO YOU WANT YOUR REFUND?



Later



Sooner

The slow economy has forced us to do more electronically. When it comes to taxes, nothing beats electronic filing.

E-file and you're done!

- ✔ Electronic returns hit our system and update your account without any handling at all.
- ✔ Electronic filing catches mistakes, ensuring your return is filed right the first time.
- ✔ If you owe taxes, you can wait to pay until April 15, no matter how early you file your return.
- ✔ If you're getting a refund, we will start processing it as soon as you or your tax preparer hits *Send*.

Still want to file paper? Are you sure?

- ✎ Each paper return must be removed from the envelope, sorted, examined, and keyed in by hand.
- ✎ If you make even a simple mistake on a paper return, it will go into our "error file" and wait for a specialist to fix it. This happens to thousands of paper returns each year, adding several more weeks of processing time.
- ✎ If we can't figure out how to fix your return, one of our agents will have to contact you. If you have made a payment, we will deposit your check but it will not credit against your return until the issue is resolved.
- ✎ If you are waiting for a refund, we cannot issue it until your paper return has been manually processed and posted to your account.

To learn more, go to

taxexpress.utah.gov

*Your one-stop shop for
everything you need to
file electronically.*



Cover photo by Randy Farnsworth

Manage your account online. *It's quick, easy & FREE!*

One of the ways you can e-file is through our new online application. E-filing is just one benefit of this service. After a one-time sign-up,* you will be able to access your account and:

- File and amend tax returns.
- Make payments, or schedule future payments.
- Check the status of your refund.
- Check balances and view your account history.
- Update your account information, such as your address.
- Request payment plans and waivers of penalties & interest.
- Much more!

 **TaxExpress**
taxexpress.utah.gov

To register,* go to **taxexpress.utah.gov**.

*You will need your Federal Adjusted Gross Income from your last Utah income tax return to use as your PIN. You only need to register once.

**You can file your tax return electronically yourself or through a tax practitioner or accountant.
Check it out at incometax.utah.gov.**

Processing Your Utah Paper Return

Filing electronically is faster, with fewer errors and quicker refunds. Paper returns must be manually processed. If filing a paper return, please follow these guidelines.

- Use black or dark blue ink only. Do not use felt tip pen.
- Enter only whole dollar amounts on all forms - no cents.
- If a line or box does not apply to you, leave it blank.
- Do not use dollar signs, commas, or parenthesis.
- If entering a loss, use a minus sign in front of the number.
- Sign and mail the original return - keep a copy for your records.

Get Utah Forms

Online at tax.utah.gov/forms

Fill-in forms are available.

Automated forms ordering:

801-297-6700 in the Salt Lake area

800-662-4335 ext. 6700 outside the Salt Lake area

References

UC: Utah Code, available at le.utah.gov

IRC: Internal Revenue Code available at law.cornell.edu/uscode/26

Web instructions and examples: incometax.utah.gov

Employee Verification 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.

If you need an accommodation under the Americans with Disabilities Act, email taxada@utah.gov, or call 801-297-3811 or TDD at 801-297-2020. Please allow three working days for a response.

Customer Service

Hours: Monday - Friday, 8:00 a.m. to 5:00 p.m.

taxmaster@utah.gov

801-297-2200 in the Salt Lake area

800-662-4335 outside the Salt Lake area

Ogden, 2540 Washington Blvd., 6th Floor

Provo, 150 E Center St. #1300

Salt Lake City, 210 N 1950 W

Hurricane, 100 S 5300 W

Tax Commission Mailing Addresses

Use the following address for mailing your Utah tax return:

ALL RETURNS WITH PAYMENTS

Utah State Tax Commission

210 North 1950 West

Salt Lake City, Utah 84134-0266

ALL OTHER RETURNS (including refunds)

Utah State Tax Commission

210 North 1950 West

Salt Lake City, Utah 84134-0260

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 specific details at tax.utah.gov/contact 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.

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TC-40 - General Instructions

What's New

- **Married same-sex couples.** Although the IRS now allows married same-sex couples to file joint federal returns (IRS Revenue Ruling 2013-17), Utah does not. A same-sex spouse must complete a federal return as single or head-of-household, as appropriate, to calculate their Utah tax liability. See instructions on page 6.
- **Special Needs Adoption Credit.** The refundable credit for adopting children with special needs has been expanded to all adoption orders issued by a court of competent jurisdiction and limited to \$1,000 per return. See more details on page 24.
- **New Voluntary Contributions.** Three new voluntary contributions have been added for this year: Invest More for Education Account, Youth Development Organization Account, and Youth Character Organization Account. See more details on each of these accounts on page 13.

Volunteer Income Tax Assistance (VITA)

VITA volunteers provide free tax preparation service to low-income and elderly taxpayers. Some VITA sites can file electronically. Call 2-1-1 to find the closest VITA site.

Federal Earned Income Tax Credit (EITC)

The federal earned income tax credit is a refundable federal (not Utah) tax credit for certain people who work and have earned income. The credit can mean a larger refund or a reduction in your federal tax.

Check the IRS website at irs.gov/eitc, or call the IRS at 1-800-829-1040 to see if you qualify.

Who Must File

1. Every Utah resident or part-year resident who must file a federal income tax return;
2. Every nonresident with income from Utah sources who must file a federal return; and
3. Taxpayers wanting a refund of any income tax overpaid.

If you must file a Utah return, first complete your federal return, even if you don't have to file with the IRS. You need the federal return information to complete your Utah return.

Income Tax Exemption: You may be exempt from Utah individual income tax if your federal adjusted gross income is less than the sum of your federal standard deduction and federal personal exemptions amount for the taxable year. See instructions for line 21 on page 8.

Nonresident Filing Exemption: A nonresident whose only Utah source of income is from a partnership or S corporation or trust (or other pass-through entity) and who had Utah income tax withheld by the partnership, S corporation, trust or other pass-through entities on the Utah income, and does not seek to claim a Utah tax credit, is not required to file a Utah return.

When to File and Pay

You must file your return and pay any income tax due:

1. By April 15, 2014, if you file on a 2013 calendar year basis (tax year ends December 31, 2013); or
2. By the 15th day of the fourth month after the fiscal year ends, if you file on a fiscal year basis. If the due date falls on a Saturday, Sunday or legal holiday, the due date is the next business day.

All Utah income taxes for the tax year must be paid by the due date. If your return is not filed on time or all income tax due is

not paid by the due date, you may be subject to penalties and interest. (See Penalties and Interest instructions on page 3.)

Utah does not require quarterly estimated tax payments. You can prepay at any time by sending your payment with form TC-546, *Individual Income Tax Prepayment Coupon*, or by paying online at taxexpress.utah.gov. See additional instructions below.

Extension of Time to File

TIP There is NO extension of time to pay your taxes – only to file your tax return.

You automatically get an extension of up to six months to file your return. Utah does not have an extension form. However, penalties will be assessed if you have not met the prepayment requirements by the original due date (see next paragraph).

See Penalties and Interest instructions on page 3. All extension returns must be filed by October 15, 2014.

Prepayment Requirements for Filing Extension

You must prepay by the original due date:

- 90% of your 2013 Utah tax due (TC-40 line 27 plus line 30);
- 100% of your 2012 Utah tax liability (TC-40 line 27 plus line 30 of your 2012 Utah return); or
- 90% of your 2013 Utah tax due if you did not have a Utah tax liability in 2012 or if this is your first year filing.

You may prepay through withholding (W-2, TC-675R, 1099-R, etc.), payments applied from previous year refunds, tax credits and credit carryovers, or payments made by the tax due date using form TC-546, *Individual Income Tax Prepayment Coupon*, or online at taxexpress.utah.gov. Interest is assessed on unpaid tax from the original filing due date until the tax is paid in full. Penalties may also apply.

Where to File

You can file and pay your Utah taxes electronically at taxexpress.utah.gov.

If filing on paper, mail your return and payment (with the TC-547, *Individual Income Tax Return Payment Coupon*) to the payment mailing address shown on page 1.

What to Attach and What to Keep

Include the following with your TC-40 and also keep a copy with your tax records.

- **Utah Schedules:** Attach all applicable schedules (TC-40 page 3, TC-40A, TC-40B, TC-40C, TC-40S, and TC-40W).
- **Other Adjustments:** Attach an explanation for any equitable adjustment entered on TC-40A, Part 1, code 69 or Part 2, code 79.
- **Other Forms:** Attach a copy of federal form 8379 to the front of your joint Utah return if claiming injured spouse provisions and a joint refund is expected to be applied (offset) to a past-due Utah tax obligation of the other spouse. Attach a Utah TC-131 (and complete TC-40, page 3, Part 1) if claiming a refund for a deceased taxpayer. Also, attach a Utah TC-40LIS if you are a building project owner of a low-income housing unit.
- **Tax Due:** If you have an amount due on the return, pay online at taxexpress.utah.gov. Or submit form TC-547, *Individual Income Tax Return Payment Coupon* (see page 28), and your check or money order along with the return.

Withholding Forms: Withholding tax information must be entered on TC-40W which must be attached to your return.

Do not send forms W-2, 1099-R, 1099-MISC, Utah Schedule K-1, etc., or form TC-675R (showing mineral withholding tax) with your return. Keep all withholding forms with your tax records for future reference. If you do not complete the TC-40W with all required information, processing of your return may be delayed and your withholding credit may be disallowed.

Do not send a copy of your federal return, credit schedules (other than Utah schedules TC-40A, TC-40B, TC-40C, TC-40S and/or TC-40W, if applicable), worksheets, or other documentation with your Utah return. Keep these, along with any receipts, to support entries reported on your return. **You may have to provide this information later to verify entries on your Utah return.**

Recordkeeping and Documentation

Keep copies of any receipts, state forms, worksheets, credit authorization forms, and other documentation to support any income, deduction, exemption, and credit you have reported. **You may be asked to provide this information later to verify entries on your Utah return.**

Rounding Off to Whole Dollars

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

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/penalties-interest** and in Pub 58, *Utah Interest and Penalties* at **tax.utah.gov/forms**. You may calculate penalties by using the online Penalty and Interest Calculator at **taxexpress.utah.gov**.

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 2014 is **2%**. Use the online Penalty and Interest Calculator at **taxexpress.utah.gov** or follow the instructions in Pub 58, *Utah Interest and Penalties*, available at **tax.utah.gov/forms** to help you.

Domicile Defined

(UC §59-10-136)

1. An individual is considered to have a domicile in Utah if:
 - A. The individual (or spouse) has claimed a dependent on their federal tax return and the dependent is enrolled in a public kindergarten, public elementary or public secondary school in Utah, with an exception for a dependent of the noncustodial parent who is divorced from the custodial parent; or
 - B. The individual (or spouse) is enrolled as a resident student in a Utah state institution of higher education.
2. There is a rebuttable presumption that an individual or a spouse is domiciled in Utah if:
 - A. They claim a residential exemption for a primary residence under UC §59-2, *Property Tax Act*;
 - B. They are registered to vote in Utah; or
 - C. They assert residency in Utah for purposes of filing their income tax return.

3. If an individual or a spouse does not qualify under the above requirements to be considered domiciled in Utah, the domicile would be considered to be in Utah if:
 - A. Either the individual or spouse has a permanent home in Utah to which the individual or spouse returns after being absent, and
 - B. The individual or spouse has voluntarily fixed their habitation in Utah, not for a special or temporary purpose, but with the intent of making a permanent home.

The determination of whether an individual is considered to have domicile in Utah under paragraph 3 above will be based on a preponderance of the evidence, taking into consideration the totality of the following facts and circumstances:

- The individual or spouse has a driver's license in Utah;
 - The individual or spouse claims an exemption for a dependent who is enrolled as a resident student in a Utah state institution of higher education;
 - The nature and quality of the living accommodations of the individual or spouse in Utah compared to another state;
 - The presence in Utah of a spouse or dependent for whom a federal tax exemption is claimed;
 - The physical location in which the individual or spouse earns income;
 - The state of registration of a vehicle owned or leased by the individual or spouse;
 - Whether the individual or spouse has a membership in a church, club or similar organization in Utah;
 - Whether the individual or spouse lists a Utah address on mail, a telephone listing, a listing in an official government publication, other correspondence, or similar item;
 - Whether the individual or spouse lists a Utah address on a federal or state tax return;
 - Whether the individual or spouse asserts Utah residency on a document filed with or provided to a court or other governmental entity;
 - The individual or spouse fails to obtain a permit or license normally required of a resident in the state where they assert to have domicile; and
 - The individual or spouse has a dependent child who is in the custody of a former spouse and who is enrolled in a Utah public kindergarten, public elementary or public secondary school in Utah.
4. An individual is not considered to have a Utah domicile if the individual is absent from Utah for at least 761 consecutive days and during this time the individual or spouse:
 - A. Does not return to Utah for more than 30 days in a calendar year;
 - B. Does not claim an exemption on their federal tax return for a dependent who is enrolled in a public kindergarten, public elementary or public secondary school in Utah (unless the individual is the noncustodial parent);
 - C. Is not enrolled in a Utah state institution of higher education as a resident student;
 - D. Does not claim the residential exemption for property tax on their primary residence in Utah; or
 - E. Does not assert that Utah is their tax home for federal tax purposes.

For purposes of this paragraph 4, an absence from the state begins on the later of the date the individual or spouse leaves the state and ends on the day the individual or spouse returns to and remains in the state for more than 30 days in a calendar year.

An individual who is not considered to have a Utah domicile under this paragraph 4 may elect to be considered to have a Utah domicile by filing a Utah resident income tax return.

If an individual is considered to have domicile in Utah, the spouse is also considered to have domicile in Utah. This rule does not apply if the couple are legally separated or divorced, or they file their federal returns as married filing separately.

An individual shall file a Utah income tax return (or amended return) and pay any applicable penalty and interest if they did not file a Utah return based on their belief that they did not meet the domicile criteria under this paragraph 4.

Resident Defined

A Utah resident is an individual who:

1. Is domiciled in Utah for the entire year, even if temporarily outside of Utah for an extended period of time;
2. Is domiciled in Utah for any period of time during the taxable year, but only for the duration of that period;
3. Even though domiciled outside Utah, maintains a place of abode in Utah and spends 183 or more days of the taxable year in Utah. In determining whether an individual spends 183 or more days in Utah, a day means a day in which the individual spends more time in Utah than in any other state.

These rules do not apply to military personnel or their spouses who are in Utah on military assignment, unless they are Utah residents.

All income received during the period of Utah residency is taxable in Utah, regardless of where that income is earned, unless specifically exempted.

See Tax Commission rule R865-91-2 at tax.utah.gov/commission/rules for more information.

Nonresident Defined

A nonresident individual is one who was not domiciled in Utah or was in Utah for temporary purposes for less than 183 days during the taxable year or does not maintain a place of abode in Utah. Income received by a nonresident from Utah sources is taxable in Utah. In determining whether an individual spends 183 or more days in Utah, a day means a day in which the individual spends more time in Utah than in any other state.

Part-Year Resident Defined

A part-year resident is an individual who is a Utah resident for part of the year and a nonresident for part of the year. All income received during the period of Utah residency is taxable in Utah, regardless of where that income is earned, unless specifically exempted. Income from Utah sources is taxable in Utah during the period of nonresidency.

Military Personnel

1. Residents: Utah residents in the military do not lose their Utah residency or domicile solely by being absent due to military orders. They must file a Utah income tax return on all income, regardless of the source. If tax must be paid to another state on nonmilitary income, a credit may be allowed for the tax paid to the other state. If claiming this credit, complete and attach form TC-40S, *Credit for Income Tax Paid to Another State*.
2. Nonresidents: Nonresidents stationed in Utah solely due to military orders are not subject to Utah tax on their military pay. However, nonresident military personnel residing in Utah and receiving income from Utah sources (other than

active duty military pay) must file a Utah income tax return and pay any tax due on that other income. See instructions on page 16 and Pub 57, *Military Personnel Instructions*.

3. Married Couples: The nonresident spouse of a nonresident active military service member may be exempt from Utah tax on income received in Utah if certain conditions are met. See page 16 for further details.

If one spouse is a full-year Utah resident and the other spouse is a full-year nonresident, they may file their federal return as married filing jointly and file Utah returns as married filing separately. See Pub 57, *Military Personnel Instructions* for details. If either spouse is a part-time resident, they cannot file using these special instructions but must file their Utah return using the same filing status as on their federal return.

Native Americans

Native Americans who earn income in Utah must file a Utah tax return.

1. Enrolled members of a Native American tribe or nation in Utah, who live and work on the reservation where they are enrolled, are exempt from Utah income tax on income earned on the reservation. See instructions on page 16.
2. Enrolled members of the Ute Tribe who work on the Uintah and Ouray Reservation and live on land removed from that reservation under Hagen vs. Utah (510 U.S. 399 (1994)) are exempt from Utah income tax on income earned on the reservation. See instructions on page 16.

See details at incometax.utah.gov/subtractions/native-american.

Students

1. Residents: A Utah resident who is a student at a non-Utah school (full-time or part-time) must file a Utah return and pay tax on all income, regardless of the source. If income tax must be paid to another state on income also taxed by Utah, a credit may be allowed for tax paid to the other state. To claim the credit, complete and attach form TC-40S, *Credit for Income Tax Paid to Another State*. Do not send a copy of the other state's return with your Utah return. Keep the other state's return and all related documents with your records.
2. Nonresidents: A nonresident student attending a Utah school must file a Utah income tax return and pay Utah tax on wages, rental income, business income, etc., earned or received from Utah sources.

Injured Spouse

If your spouse had outstanding Utah tax liabilities with the Tax Commission before your marriage, any refund on a joint return may be used to pay that liability. You may be able to claim part or all of a refund under the injured spouse provisions.

If another state or federal agency or other entity claimed your refund to pay debt owed them, you must contact that agency or entity directly.

Go to tax.utah.gov/extension/innocent for more information.

Innocent Spouse

If your spouse did not report income or claimed false deductions or credits and you did not receive any benefit, you may be entitled to relief from the tax liability. See details at tax.utah.gov/extension/innocent.

Amended Return

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. A return filed before the due date is considered filed on the due date. If an amended return must be filed based on changes made by the IRS, you must file your claim for refund or credit within two years after the Utah amended return had to be filed.

How to Amend a 2013 Utah Individual Income Tax Return

- A. On the top of TC-40, page 1, on the "Amended Return" line, enter the code number that best corresponds to your **Reason For Amending**. See codes below.

Reason-for-Amending Codes (enter on return)

- 1 You filed an amended federal return with the IRS. Attach a copy of your amended federal return, form 1040X. (If amending for a net operating loss, do not use code 1, use code 4 - see below.)
 - 2 You made an error on your Utah return. Attach an explanation of the error.
 - 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 You had a net operating loss. Utah treats net operating losses the same as the federal return. If any part of your amended return is from a net operating loss carryback, use code 4 and complete an Utah return for each year you are amending. Attach a copy of your amended federal return, form 1040X or 1045. Your documentation must clearly show the year you experienced the loss.
 - 5 Other. Attach an explanation to your return.
- B. Enter the corrected figures on the return and/or schedules.
- C. Enter all other amounts as shown on your original return. If you received a refund on your original return, enter the amount of the previous refund on line 29 of the 2013 amended return. If you paid with the original return or made subsequent tax payments before the amended return is filed, enter the total previous payments on line 37 of the 2013 amended return. Contributions on line 28 cannot be changed after the original return is filed.
- D. Submit the amended return with all schedules, including copies of those schedules that did not change from the original filing.
- E. **Do not submit a copy of your original return with your amended return.**

TC-40 - Line-by-Line Instructions

TC-40, Page 1

Amended Return

If you are amending a previously filed return, enter the code at the top of the TC-40 where indicated. See amended return instructions on page 5. If this return is not an amended return, leave this field blank.

Name, Address, Social Security Number

Your social security number(s) and name(s) must match your social security card(s). Print your social security number(s), name(s), mailing address, and 10-digit telephone number (without brackets or hyphens), in the spaces provided. If filing married jointly or separately, enter the spouse's name and social security number also. Enter social security numbers in the same order your names appear on the form.

SOCIAL SECURITY NUMBER DISCLOSURE

Everyone filing a Utah individual income tax return must provide his or her social security number according to Utah law. The social security number is used as the account number on the State's system. All information on the income tax return is confidential and protected from unauthorized disclosure by federal and state laws.

ZIP CODE

Enter your Zip Code with the "plus four" at the end, without a hyphen.

FOREIGN ADDRESS

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. Leave the State and Zip Code fields blank. Enter only the foreign country name in the "Foreign country" field. This is a Postal Service requirement.

DECEASED TAXPAYER

If you are filing for a taxpayer who died, enter the deceased individual's name and social security number and your mailing address and telephone number. Enter the deceased taxpayer's date of death on TC-40, page 3, Part 1 if the taxpayer or spouse died in 2013 or 2014. See additional instructions on page 12.

1. Filing Status

Enter the code that matches the filing status from your federal return:

1040 and 1040A, lines 1 through 5

1040EZ, no federal filing status listed. Select filing status code 1 or 2, whichever applies.

Same-sex Married Couples

Since Utah does not recognize same-sex marriages, same-sex couples who file federal returns with a married filing status must file their Utah income tax returns with a filing status of single or head-of-household, as appropriate.

In order to calculate their Utah income tax liability, same-sex spouses who file federal returns with a married filing status must recompute their federal income tax liability by completing an "as-if" federal return with a single or head-of-household filing status, as appropriate. Then, use the information from your as-if federal return anywhere instructions on the Utah return refer to information on your federal return. Use this as-if return only as a basis for completing your Utah return. Do not file your as-if return with the IRS or the Tax Commission, but keep it in your records in case of an audit.

2. Exemptions

TIP On lines 2a through 2c, enter the same number of exemptions claimed on your federal return.

- 2a. Enter "1" if you claim your own exemption on your federal return. Enter "0" if someone else, such as a parent, is claiming you as their dependent on their federal return. Enter "0" if you checked "You" on line 5 of your 1040EZ.
- 2b. Enter "1" if you claim your spouse as an exemption on your federal return. Enter "0" if someone else, such as a parent, is claiming your spouse as their dependent on their federal return. Enter "0" if you checked "Spouse" on line 5 of your 1040EZ.
- 2c. Enter the number of dependents you are claiming on line 6c of the federal return 1040 or 1040A.
- 2d. Enter the number of dependents with a disability exemption you are claiming. Complete form TC-40D, *Dependent with a Disability Exemption*, for each dependent claimed each year (see explanation below). Do not send form TC-40D with your return. Keep the form and all related documents with your records.
- 2e. Add all exemptions on lines 2a through 2d and enter the total.

Dependent with a Disability Exemption Qualification (UC §59-10-1018)

Dependent Child with a Disability

A dependent child with a disability is:

1. An individual 2 years of age or younger who is claimed as a dependent on the taxpayer's federal individual tax return for the year; and
2. Identified under guidelines of the Department of Health as qualified for Baby Watch Early Intervention Program for Infants and Toddlers.

For additional information, contact the Utah Department of Health, Baby Watch Early Intervention Program for Infants and Toddlers, PO Box 144720, Salt Lake City, UT 84114-4720, telephone 801-584-8226 or 1-800-961-4226.

Eligible Student with a Disability

An eligible student with a disability is:

1. An individual 21 years of age or younger who is claimed as a dependent on the taxpayer's federal individual tax return for the year;
2. **Not** the taxpayer or the taxpayer's spouse;
3. Determined eligible by an IEP team under State Board of Education special education rules under Title 63G, Chapter 3, Utah Administrative Rulemaking Act as having a disability classified as autism, deafness, developmental delay, dual sensory impairment (deaf/blind), hearing impairment, intellectual disability, multi-disability, orthopedic impairment, other health impairment, traumatic brain injury, or visual impairment;
4. **Not** receiving residential services from the Division of Services for People with Disabilities created under Section 62A-5-102 or a school established under Title 53A, Chapter 25b, Utah Schools for the Deaf and the Blind; and
5. Enrolled in an public education program for students with disabilities authorized under Section 53A-15-301, or is a recipient of a scholarship awarded under Title 53A, Chapter 1a, Part 7, Carson Smith Scholarships for Students with Special Needs Act.

Questions concerning qualified students may be directed to your local school district or charter school, local school,

or the Utah State Office of Education, 250 East 500 South, PO Box 144200, Salt Lake City, UT 84114-4200, telephone 801-538-7587.

Dependent Adult with a Disability

A dependent adult with a disability is:

1. An individual 18 years of age or older who is claimed as a dependent on the taxpayer's federal individual tax return for the year;
2. Not the taxpayer or the taxpayer's spouse;
3. Eligible for services under Title 62A, Chapter 5, Services for People with Disabilities; and
4. Not enrolled in an education program for students with disabilities authorized under Section 53A-15-301.

Questions may be directed to the Division of Services for People with Disabilities, 195 N 1950 W, 3rd Floor, SLC, UT 84116, telephone 801-538-4200; dspd.utah.gov.

Form TC-40D is available at tax.utah.gov/forms or by calling or writing the Tax Commission or one of the agencies noted above.

3. Election Campaign Fund

(UC §59-10-1311)

If your Utah income tax liability on line 27 plus line 30 is \$2 or more (\$4 if married filing jointly), you may contribute \$2 to the campaign fund for any of the qualified parties listed on the return. If this is a joint return, your spouse may also contribute \$2 to the party of his or her choice. This contribution will not reduce your refund or increase the tax amount you owe.

4. Federal Adjusted Gross Income

Enter your federal adjusted gross income (FAGI) from your federal return:

1040 , line 37	1040NR , line 36
1040A , line 21	1040NR-EZ , line 10
1040EZ , line 4	

Nonresidents and part-year residents: Enter the full amount of your federal adjusted gross income from your federal return (as noted above), not just your Utah income.

5. Additions to Income

The following additions to income are entered on TC-40A, Part 1. Enter the sum of all additions to income on line 5 of TC-40.

- Lump Sum Distribution
- Medical Care Savings Account (MSA) Addback
- Utah Educational Savings Plan (UESP) 529 Plan Addback
- Reimbursed Adoption Expenses Addback
- Child's Income Excluded from Parent's Return
- Municipal Bond Interest
- Untaxed Income of a Resident Trust
- Untaxed Income of a Nonresident Trust
- Equitable Adjustments

See instructions for TC-40A, Part 1, and an explanation of each addition to income beginning on page 15 of these instructions.

6. Total Income

Add line 4 and line 5.

7. State Tax Refund Included on Federal Form 1040

(UC §59-10-114(2)(c))

If you itemized your deductions on your 2012 federal form 1040, enter the amount reported on your 2013 federal form 1040, line 10. Otherwise leave this line blank.

8. Subtractions from Income

The following subtractions from income are entered on TC-40A, Part 2. Enter the sum of all subtractions from income on line 8 of TC-40.

- Interest from U. S. Government Obligations
- Native American Income
- Railroad Retirement Income
- Equitable Adjustments
- Nonresident Active Duty Military Pay
- State Tax Refund Distributed to Beneficiary of Trust
- Nonresident Military Spouse Income

See instructions for TC-40A, Part 2, and an explanation of each subtraction from income beginning on page 16 of these instructions.

9. Utah Taxable Income (Loss)

Subtract the total of lines 7 and 8 from line 6. This amount is used to calculate the tax on line 10.

10. Utah Tax Calculation

Multiply the Utah taxable income on line 9 by 5% (.05) and enter the result on line 10. If the result is zero or less, enter "0."

Taxpayer Tax Credit (lines 11 - 20)

(UC §59-10-1018)

You may be allowed a credit against your Utah tax based on the total of your Utah exemptions and adjusted federal itemized deductions or standard deduction. The credit phases out for income over a specific amount, based on filing status.

11. Exemption Amount

(UC §59-10-1018(2)(b)(i))

The Utah personal exemption is \$2,925.

If your federal adjusted gross income on line 4 of your Utah return is **less than or equal to** the amount in the **AGITABLE** below for your filing status, multiply \$2,925 by the total number of exemptions shown in box 2e and enter the result.

If your federal adjusted gross income on line 4 **exceeds** the amount in the **AGITABLE** below for your filing status, you are subject to a reduction in your exemption amount. Multiply your federal exemption amount from form 1040 line 42, 1040A line 26, or 1040NR line 39 by 0.75 and enter the result.

AGI Table	Filing Status
\$150,000	Married-separate
\$250,000	Single
\$275,000	Head of household
\$300,000	Married-joint or qualifying widow(er)

Note: If your federal adjusted gross income on line 4 exceeds the amount in the AGI TABLE and you claim a dependent with a disability exemption on line 2d, complete the following worksheet to determine your Utah exemption amount.

High Income Worksheet for Disabled Exemption

1. Amount from federal form 1040 line 42, 1040A line 26, or 1040NR line 40 \$_____
2. Number of exemptions from federal form 1040 or 1040A line 6d or 1040NR line 7d _____
3. Divide line 1 by line 2 and enter results \$_____
4. Multiply the amount on line 3 by 75% (0.75) _____
5. Number of Utah exemptions on TC-40 line 2e _____
6. Multiply line 4 by line 5 and enter results
Enter this Utah exemption amount on line 11 of TC-40 \$_____

12. Federal Standard or Itemized Deductions

Enter the amount of your federal standard or itemized deductions, whichever you claimed on your federal return.

Itemized Deductions: If you itemized your deductions on your federal return, enter that same amount on line 12. This amount is found on federal form:

1040, line 40 **1040NR**, line 38 **1040NR-EZ**, line 11

Standard Deduction: If you used the standard deduction on your federal return, enter that same amount on line 12. This amount is found on federal form:

1040, line 40 **1040A**, line 24

1040EZ, if you checked either box on line 5 of federal form 1040EZ, enter the amount from line E of the worksheet on the back of form 1040EZ. If you are single and did not check a box on line 5, enter \$6,100. If you are married filing joint and did not check a box on line 5, enter \$12,200.

13. Total Exemptions and Standard/Itemized Deductions

Add line 11 and line 12.

14. State Income Tax Deducted on 2013 Federal Schedule A

TIP If you did not itemize your deductions on federal form 1040 Schedule A, leave this line blank.

If you claimed any state and local income tax paid as an itemized deduction on federal form 1040, Schedule A, line 5, enter that amount on line 14. **Do not enter any sales tax entered on Schedule A, line 5.**

Nonresident Aliens: If you claimed any state or local tax paid as an itemized deduction, enter the amount from your federal form 1040NR, Schedule A, line 1, or the amount deducted as itemized deductions on federal form 1040NR-EZ, line 11.

15. Total Exemptions and Federal Deductions

Subtract line 14 from line 13.

16. Initial Credit Before Phase-out

Multiply line 15 by 6% (.06).

17. Base Phase-out Amount

Enter the following base phase-out amount determined by your filing status shown on line 1.

Filing Status	Base Amount
1 - Single	\$13,363
2 - Married filing jointly	\$26,726
3 - Married filing separately	\$13,363
4 - Head of household	\$20,045
5 - Qualifying widow(er)	\$26,726

18. Income Subject to Phase-out

Subtract line 17 (the base phase-out) from line 9 (Utah taxable income). If the result is zero or less, enter "0."

19. Phase-out Amount

Multiply line 18 by 1.3% (.013). This is the credit phase-out amount.

20. Taxpayer Tax Credit

Subtract the phase-out amount on line 19 from the initial credit on line 16. If the result is zero or less, enter "0."

21. Qualified Exempt Taxpayers

If your federal adjusted gross income is less than or equal to the sum of your federal exemption amount and your federal standard deduction you are exempt from Utah income tax. For this purpose, the federal standard deduction **does not** include the extra deductions for age, blindness, sales tax on new vehicle purchase, or disaster loss.

Complete the worksheet to see if you qualify.

Qualified Exempt Taxpayer Worksheet for Line 21

1. Enter the federal adjusted gross income from: 1) _____

1040, line 37 **1040NR**, line 36
1040A, line 21 **1040NR-EZ**, line 10
1040EZ, line 4

2. Enter your standard deduction. 2) _____

Note: If your standard deduction was limited, enter the amount allowed on your federal return. Federal 1040NR and 1040NR-EZ filers, enter "0." Otherwise, see the following for your filing status.

- Single:** Enter \$6,100 (if you filed federal form 1040EZ and checked the box on line 5, enter the amount from line E on back of your 1040EZ form)
- Head of Household:** Enter \$8,950
- Married filing joint:** Enter \$12,200 (if you filed federal form 1040EZ and checked either box on line 5, enter the amount from line E on back of your 1040EZ form)
- Married filing separate:** If your spouse did not itemize, enter \$6,100. If your spouse itemized, enter "0."
- Qualifying widow(er):** Enter \$12,200

3. Enter your exemption amount from: 3) _____

1040, line 42 **1040NR**, line 40
1040A, line 26 **1040NR-EZ**, line 13
1040EZ, if you checked either box on line 5, enter the amount from line F on back of your 1040EZ form. If you are single and did not check a box on line 5, enter \$3,900. If you are married filing jointly and did not check a box on line 5, enter \$7,800.

4. Add lines 2 and 3 4) _____

5. Subtract line 4 from line 1. If the amount is less than zero, enter "0." 5) _____

If the **amount on line 5 of this worksheet is more than zero**, leave the box on TC-40, line 21 blank and go to line 22.

If the **amount on line 5 of this worksheet is zero**, you are exempt from Utah income tax. Enter "X" in the box on TC-40, line 21 and enter "0" on line 22. Then complete the balance of the return.

22. Utah Income Tax

Subtract the taxpayer tax credit on line 20 from the tax calculated on line 10. If the result is zero or less, enter "0."

If you qualified as exempt from Utah tax (see worksheet for line 21 on this page) and checked the box on line 21, enter "0."

____ **TC-40, Page 2** ____

23. Tax from Page 1

The Utah income tax shown on line 22 on page 1 is entered on line 23 on page 2.

24. Apportionable Nonrefundable Credits

TIP Apportionable nonrefundable credits can reduce your income tax to zero, but cannot result in a refund.

The following apportionable nonrefundable credits are entered on TC-40A, Part 3. Enter the sum of all apportionable nonrefundable credits on line 24 of TC-40.

- Capital Gain Transactions Credit
- Retirement Tax Credit
- Utah Educational Savings Plan (UESP) 529 Plan Credit
- Medical Care Savings Account (MSA) Credit
- Health Benefit Plan Credit
- Qualifying Solar Project Credit
- Gold and Silver Coin Sale Credit

See instructions for TC-40A, Part 3, and an explanation of each apportionable nonrefundable credit beginning on page 17 of these instructions.

25. Enter Tax

Apportionable nonrefundable credits cannot exceed the tax liability on the return.

FULL-YEAR RESIDENTS - Subtract the apportionable credits on line 24 from the tax on line 23 and enter the result on line 25. Do not enter an amount less than zero. Complete the rest of the return.

NON OR PART-YEAR RESIDENTS – Subtract the apportionable credits on line 24 from the tax on line 23 and enter the result on TC-40B, *Non or Part-year Resident Schedule*, line 36. Do not enter an amount less than zero. Complete TC-40B, enter the tax from TC-40B, line 37 on TC-40, page 2, line 25. Complete the rest of the return.

See detailed instructions for the TC-40B, *Non and Part-year Resident Schedule* on page 25.

26. Nonapportionable Nonrefundable Credits

TIP Nonapportionable nonrefundable credits can reduce your income tax to zero, but cannot result in a refund.

The following nonapportionable nonrefundable credits are entered on TC-40A, Part 4. Enter the sum of all nonapportionable nonrefundable credits on line 26 of TC-40.

- At-Home Parent Tax Credit
- Qualified Sheltered Workshop Cash Contribution Credit
- Clean Fuel Vehicle Credit
- Historic Preservation Credit
- Enterprise Zone Credit
- Low-Income Housing Credit
- Recycling Market Development Zone Credit
- Credit for Increasing Research Activities in Utah
- Carryover Credit for Machinery and Equipment Used to Conduct Research
- Credit for Income Tax Paid to Another State
- Live Organ Donation Expenses Credit
- Renewable Residential Energy Systems Credit
- Combat Related Death Credit
- Veteran Employment Tax Credit

See instructions for TC-40A, Part 4, and an explanation of each nonapportionable nonrefundable credit beginning on page 20 of these instructions.

27. Subtract Line 26 from Line 25

Nonapportionable nonrefundable credits cannot exceed your tax liability. If the total credits on line 26 is more than or equal to the tax on line 25, enter "0."

28. Voluntary Contributions

Enter on line 28 the total of your voluntary contributions from Part 4 of the TC-40, page 3. The contributions will add to your tax due or reduce your refund. Once made, you cannot change a contribution on an amended return.

29. Amended Return Only - Previous Refund

This line is **only** for an amended return. Enter the total of all refunds, credits, and offsets of state income tax received for the tax year being amended. Do not include refund interest.

30. Recapture of Low-Income Housing Credit

If you claimed the Utah low-income housing credit in a previous year and then disposed of the building or an ownership interest, or if the qualified basis of the building has decreased, you may have to recapture the credit. See form TC-40LIC for instructions.

31. Utah Use Tax

Use tax is a tax on goods and taxable services purchased for use, storage or other consumption in Utah during the taxable year and applies only if sales tax was not paid at the time of purchase. If you purchased an item from an out-of-state seller, including Internet, catalog, radio and TV purchases, and the seller did not collect sales tax on that purchase, you must pay the use tax directly to the Tax Commission. If you have a Utah sales tax license/account, include the use tax on your sales tax return. If you do not have a Utah sales tax license/account, report the use tax on line 31 of TC-40.

You may take a credit for sales or use tax paid to another state (but not a foreign country). If the other states' tax rate is lower than Utah's, you must pay the difference. If the other states' tax rate is more than Utah's, no credit or refund is given. If sales tax was paid to more than one state, complete the worksheet below for each state. Add lines 8 on all worksheets and enter the total on line 31.

Worksheet for Computing Utah Use Tax on Line 31

1. Amount of purchases (except grocery food) subject to use tax	\$ _____
2. Use tax rate (decimal from chart) (page 10)	x. _____
3. Multiply line 1 by line 2	\$ _____
4. Amount of grocery food purchases subject to use tax	\$ _____
5. Multiply line 4 by 3% (.03)	\$ _____
6. Add line 3 and line 5	\$ _____
7. Credit for sales tax paid to another state on use tax purchases	\$(_____)
8. Use tax due (subtract line 7 from line 6)	

Sales and use tax rates vary throughout Utah. Use the chart on page 10 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 a 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 Tax Commission Publication 25, at **tax.utah.gov/forms** for more information.

32. Total Tax, Use Tax and Additions to Tax

Add lines 27 through 31.

33. Utah Income Tax Withheld

You **MUST** enter your **UTAH TAX WITHHELD** on this line.

Complete TC-40W, Part 1 listing each W-2 and 1099 with Utah withholding tax. The total Utah withholding tax on the TC-40W,

Part 1 must equal the amount entered on line 33. If you have more than four withholding forms, use additional TC-40Ws. See detailed instructions and examples on page 26.

Keep withholding forms with your records. Do not attach them to your return. Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-40W, Part 1 with all required information.

Use Tax Rate Chart (Effective Dec. 31, 2013)

.0595 Beaver County	.0595 Piute County
.0695 Beaver City	.0595 Rich County
.0595 Box Elder County	.0755 Garden City
.0650 Brigham City, Perry, Willard	.0685 Salt Lake County
.0695 Snowville	.0705 South Salt Lake
.0630 Cache County	.0835 Alta
.0655 Cache Valley Transit, Hyde Park, Lewiston, Millville	.0595 San Juan County
.0660 Hyrum, Logan, Nibley, N. Logan, Providence, Richmond, River Heights, Smithfield	.0635 Blanding, Monticello
.0595 Carbon County	.0595 Sanpete County
.0625 Wellington	.0605 Centerfield, Mayfield
.0635 Price	.0625 Ephraim, Fairview, Mt. Pleasant
.0695 Daggett County	.0635 Gunnison
.0650 Davis County	.0595 Sevier County
.0660 Bountiful, Centerville, N. Salt Lake, W. Bountiful, Woods Cross	.0605 Aurora, Redmond
.0595 Duchesne County	.0635 Richfield, Salina
.0605 Duchesne City	.0605 Summit County
.0635 Roosevelt	.0635 Snyderville Basin Transit
.0595 Emery County	.0745 Park City
.0775 Green River	.0595 Tooele County
.0695 Garfield County	Erda, Grantsville, Lakepoint, Lincoln, Stansbury Park
.0795 Boulder, Panguitch, Tropic	Tooele City
.0805 Bryce Canyon	.0605 Uintah County
.0595 Grand County	.0635 Naples, Vernal
.0785 Moab	.0675 Utah County
.0595 Iron County	.0685 Cedar Hills, Orem
.0605 Cedar City	.0595 Wasatch County
.0795 Brian Head	.0625 Heber
.0595 Juab County	.0705 Independence
.0620 Santaquin South	.0735 Midway
.0625 Nephi	.0785 Park City East
.0695 Kane County	.0595 Washington County
.0795 Kanab, Orderville	Hurricane, Ivins, La Verkin, St. George, Santa Clara,
.0595 Millard County	Washington City
.0595 Morgan County	.0755 Springdale
	.0595 Wayne County
	.0685 Weber County
	.0705 Falcon Hill Riverdale, Riverdale

34. Credit for Utah Income Tax Prepaid

Prepayments include payments made with form TC-546, *Individual Income Tax Prepayment Coupon*, and any amount of the previous year's refund applied to your current tax liability.

35. Pass-through Entity Withholding Tax Credit

(UC §59-10-1103)

You may claim credit for any Utah income tax withheld or paid on your behalf by a pass-through entity (partnership, LLC, LLP, S corporation or trust) to which you belong. Enter the withholding tax claimed on TC-40W, Part 3 and bring the total over to line 35.

Keep Utah Schedule K-1 issued by the pass-through entity and all other related documents with your records. Do not attach them to your Utah return. Processing may be delayed or the withholding tax credit disallowed if you do not complete TC-40W, Part 3 with all required information.

See instructions for TC-40W, Part 3 on page 27.

36. Mineral Production Withholding Tax Credit

(UC §59-6-102(3))

List any Utah mineral production withholding tax from TC-675R or Utah Schedule K-1 on TC-40W, Part 2 and enter this total on your TC-40, page 2, line 36.

The mineral production company on form TC-675R must provide the following information to you:

1. The company's federal employer identification number (EIN),
2. The company's Utah mineral production withholding account number, and
3. Your share of the mineral production withholding tax.

Keep all TC-675Rs and Utah Schedule K-1(s) with your records. Do not attach them to your Utah return. Processing may be delayed or the mineral production withholding tax credit disallowed if you do not complete the TC-40W, Part 2 with all required information.

See instructions for TC-40W, Part 2 on page 27.

37. Amended Return Only - Previous Payment

Use this line **only** for an amended return. Enter the total tax paid with the original return plus any later tax payments for the tax year being amended. Do not include on this line any penalty, interest or fees paid on the previous return.

38. Refundable Credits

The following refundable credits are entered on TC-40A, Part 5. Enter the sum of all refundable credits on line 38 of TC-40.

- Renewable Commercial Energy Systems Tax Credit
- Targeted Business Tax Credit
- Special Needs Adoption Credit
- Agricultural Off-highway Gas/Undyed Diesel Credit
- Farm Operation Hand Tools Credit

See instructions for TC-40A, Part 5, and an explanation of each refundable credit beginning on page 24 of these instructions.

39. Total Withholding and Refundable Credits

Add lines 33 through 38.

40. Tax Due

If line 32 is more than line 39, subtract line 39 from line 32. This is the tax you owe.

41. Penalty and Interest

If you are filing your return or paying any tax late, you may owe penalties and interest. Calculate your penalty and interest by using the Penalty and Interest Calculator at **taxexpress.utah.gov** or by following the instructions in Pub 58, *Utah Interest and Penalties* at **tax.utah.gov/forms**. The Tax Commission will send you a bill if you do not pay the penalties and interest with your return, or the penalty and/or interest were calculated incorrectly.

PENALTIES: You may receive a penalty for not filing your return on time and for not paying any tax due on time. The penalties are a percentage of the unpaid tax, based on the number of days late. Instructions to calculate these penalties are at **tax.utah.gov/billing/penalties-interest** and in Pub 58, *Utah Interest and Penalties*, at **tax.utah.gov/forms**. Include these penalties on line 41, if applicable.

The penalty for underpaying an extension prepayment is 2% of the unpaid tax per month of the extension period. If the return is not filed by the extension due date, failure to file and pay penalties will apply as if the extension had not been granted. Also, include this penalty on line 41, if applicable.

There is no late filing penalty (including on an amended return) if you have no tax due on the return.

INTEREST: Calculate interest from the due date (April 15, 2014) to the date paid. The 2014 rate is **2%**. Include this interest on line 41, if applicable.

42. Total Due - Pay This Amount

Add any penalty and interest you owe on line 41 to the tax on line 40. Pay this amount online at taxexpress.utah.gov. Or pay with your return and include a TC-547 coupon with your payment.

PAYMENT OPTIONS

You may pay your tax online with your credit card or with an electronic check (ACH debit). 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 your day-time phone number and "2013 TC-40" 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-547 coupon with your payment.**

Mail your payment, coupon and Utah return to the Utah State Tax Commission, 210 N 1950 W, Salt Lake City, UT 84134-0266.

If filing a paper return, allow at least 90 days for your return to be processed.

PAYMENT AGREEMENT REQUEST

TIP A payment agreement plan cannot be set up until your return is processed.

If you cannot pay the full amount you owe, register using Taxpayer Access Point (TAP) at taxexpress.utah.gov and click on "Request Pay Plan or e-reminder." Or you may contact the Tax Commission at 801-297-7703, or outside the Salt Lake area at 1-800-662-4335 ext. 7703.

TAP can be accessed at taxexpress.utah.gov. It allows many free services, including e-file and e-pay, as well as allowing you to monitor your own income tax account, request a pay plan and provide an email address to receive a pay plan reminder email.

Pay plan requests will be considered after your return is processed. If your plan request is accepted, you will receive an email stating the terms and conditions of the agreement. A pay plan does not stop penalty and interest from accruing and we may still file a tax lien to secure the debt.

You may make payments prior to approval of the pay plan or prior to receiving a billing notice.

43. Refund

If line 39 is more than line 32, subtract line 32 from line 39. This is your refund.

NOTE: Your refund may be applied to any outstanding federal or state debt owed.

Mail your Utah refund return to Utah State Tax Commission, 210 N 1950 W, Salt Lake City, UT 84134-0260.

Check your Utah refund status online at taxexpress.utah.gov.

44. Refund Applied To 2014 Taxes

You may apply all or part of your refund as a prepayment for your 2014 Utah income tax liability. Enter the amount of refund you want applied to your 2014 tax on this line. Any part not applied to your 2014 tax liability will be refunded to you (unless you have other outstanding government obligations).

If you checked the UESP box on TC-40, page 3, Part 5 to have your refund sent to your UESP account, you cannot apply any of the refund to next year's tax. See UESP refund application instructions on page 13.

45. Direct Deposit of Refund

TIP You will not receive a check if your refund is deposited directly into your account.

If you want your refund deposited directly into your checking or savings account, enter your financial institution's routing number and your account number. Omit hyphens, spaces, and special symbols.

The check example on page 14 shows where the routing and account numbers are printed on your check. Your financial institution can also provide this information.

If your financial institution rejects your direct deposit request, you will receive a check by mail.

If you want your direct deposit to go to an account outside of the United States or its territories, see instructions and complete TC-40, page 3, Part 6.

If you checked the UESP box in TC-40, page 3, Part 5, you cannot direct deposit any of your refund into your checking or savings account. See instructions on page 13.

Completing the Return

Signature

You must sign your return. If filing a joint return, both husband and wife must sign. Failing to sign the return will delay your refund.

Signature for Deceased

If your spouse died in 2013 or 2014 before filing your return and you are filing a joint return, write "DECEASED" in the signature block for your spouse. See additional instructions on page 12. *If you are not a surviving spouse and are claiming a refund for the deceased taxpayer, attach form TC-131.*

Third Party Designee

If you want a friend, family member or other person to discuss your 2013 Utah tax return with the Tax Commission, enter their name and phone number in the Third Party Designee area (page 2 of your return). Also, enter a number (up to 5 digits) as a personal identification number (PIN). If you want the paid preparer who signed your return as the Third Party Designee, enter "Preparer" in the designee's name area.

If you fill in the Third Party Designee area, you (and your spouse if filing a joint return) authorize the Tax Commission to call the designee with questions that may arise while processing your return. You also authorize the designee to:

1. Give the Tax Commission any missing information from your return;
2. Call the Tax Commission for information about the processing of your return or the status of your refund or payment(s);
3. Receive copies of notices or transcripts related to your return, upon request; and
4. Respond to certain Tax Commission notices about math errors, offsets and return preparation.

You are not authorizing the designee to receive any refund, bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Commission. The authorization automatically ends on the due date for filing your 2014 tax return (without regard to extensions). This is April 15, 2015 for most people.

If you want to change the designee's authorization, complete and submit TC-737, *Power of Attorney and Declaration of Representative*. Form TC-737 is available at tax.utah.gov/forms. If you want 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 Requirements

A paid preparer must enter his or her name, address, and PTIN in the section below the taxpayer's signature.

Preparer Electronic Filing Requirements

(UC §59-10-514.1)

If a preparer (or two or more preparers affiliated together in the same establishment) prepared over 100 returns in a prior calendar year, the preparer(s) must submit all their Utah individual income tax returns electronically. Exceptions apply for taxpayers who choose not to file electronically and for undue hardship on the preparer in conforming to this provision (see form TC-831).

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 penalties (second degree felony with a fine from \$1,500 to \$25,000).

Attachments to Return

See the instructions on what to attach to your Utah return on page 2.

Tax Due

If you owe tax and choose not to pay electronically, submit form TC-547 and your check or money order with the return. See form TC-547 on page 28 of these instructions.

IRS

All information on your return is compared to information filed with the IRS.

TC-40, Page 3

Submit TC-40, page 3 ONLY if you have entered information on the form. If the form is blank, do not submit it with your Utah return.

Part 1 - Deceased Taxpayer Information

A return must be filed for a deceased individual who would have been required to file an income tax return. The personal representative, executor, administrator, legal representative, or surviving spouse must sign and file the final return and any other returns still due.

If you are filing the deceased taxpayer's return as single, married separate, head of household, or qualifying widow(er) and they died in 2013 or 2014 before filing the tax return, enter the taxpayer's date of death (mm/dd/yy) on the first line of TC-40, page 3, Part 1.

If you are the surviving spouse filing a joint return with the taxpayer who died in 2013 or 2014 before filing the tax return, enter the deceased taxpayer's date of death (mm/dd/yy) on the TC-40, page 3, Part 1:

1. Line 1 if the deceased individual was the primary taxpayer shown on TC-40, page 1, or
2. Line 2 if the deceased individual was the spouse shown on TC-40, page 1.

Write "DECEASED" in the signature block on TC-40, page 2 for the deceased taxpayer. If you are the surviving spouse filing a joint return, you must also sign the return in the space indicated on page 2.

If you are not a surviving spouse and are claiming a refund for the deceased taxpayer, you must complete form TC-131, *Statement of Person Claiming Refund Due a Deceased*

Taxpayer. Check the third box on TC-40, page 3, Part 1 and attach TC-131 to the tax return.

Part 2 - Fiscal Year End Date

If you file your return on a fiscal year basis (a 12-month period ending on the last day of any month except December), enter your fiscal year-end date. Enter the two-digit month and the two-digit year, e.g., 06/14 for June 2014.

You must use the tax forms for the year in which your fiscal year begins. For example, if your fiscal year is July 1, 2012 through June 30, 2013, you must use the 2012 Utah return to file for that fiscal year.

See specific fiscal year instructions at incometax.utah.gov/topics/fiscal-year-filing.

If you are a calendar year filer (your tax year ends on December 31st, like most taxpayers), leave this field blank.

Part 3 - Federal Form 8886

If you filed federal form 8886, *Reportable Transaction Disclosure Statement*, with the IRS, enter an "X" in Part 3.

Part 4 - Voluntary Contributions

You may contribute to any of the following approved causes. Contributions will add to your tax due or reduce your refund. Once made, you cannot change a contribution on an amended return.

Leave the entire Part 4 blank if you are not contributing to one or more of the accounts.

Write the **code and amount** of each contribution on the Part 4 lines. Total your contributions and enter the sum on line 28 of TC-40, page 2.

Each contribution is explained below.

Codes for Contributions

- 01 Utah Nongame Wildlife Account
- 02 Pamela Atkinson Homeless Account
- 03 Kurt Oscarson Children's Organ Transplant Account
- 05 School District and Nonprofit School District Foundation
- 09 Cat and Dog Community Spay and Neuter Program
- 11 Canine Body Armor Account
- 12 Invest More for Education Account
- 13 Youth Development Organization Account
- 14 Youth Character Organization Account

(01) Utah Nongame Wildlife Account

(UC §59-10-1305)

Contributions help fund preservation, protection, perpetuation, and enhancement of nongame wildlife species that are protected, endangered or threatened with extinction.

For more information, contact:

Utah Division of Wildlife Resources
1594 W North Temple, Suite 2110
Salt Lake City, UT 84116
801-538-4853

(02) Pamela Atkinson Homeless Account

(UC §59-10-1306)

Contributions help fund services and programs to help Utahns become self-sufficient.

For more information, contact:

Housing and Community Development Division
Department of Workforce Services
1385 S State Street
Salt Lake City, UT 84115
801-468-0148

(03) Kurt Oscarson Children's Organ Transplant Account
(UC §59-10-1308)

Contributions provide financial help to families of children needing an organ transplant.

For more information, contact:

Representative for the Department of Health
PO Box 144610
44 N Mario Capecchi Dr.
Salt Lake City, UT 84114
801-584-8239

(05) School District and Nonprofit School District Foundation (UC §59-10-1307)

Contributions help fund private, nonprofit school district foundations established to promote partnership activities between schools and communities; charitable giving activities to specific educational programs; and opportunities for scientific, educational, literary, and improvement objectives. The contribution goes to the school district if there is no nonprofit foundation. Enter a code for the school district/foundation (from the list below) in the **SCHOOL DIST. CODE** box to the right of the amount.

School District Codes for "SCHOOL DIST. CODE" box

Code	Code	Code	Code
01 Alpine	11 Grand	22 N. Sanpete	33 S. Summit
02 Beaver	12 Granite	23 N. Summit	34 Tintic
03 Box Elder	13 Iron	24 Ogden	35 Tooele
04 Cache	14 Jordan	25 Park City	36 Uintah
42 Canyons	15 Juab	26 Piute	41 Utah Assistive
05 Carbon	16 Kane	27 Provo	Technology
06 Daggett	17 Logan	28 Rich	37 Wasatch
07 Davis	18 Millard	29 Salt Lake	38 Washington
08 Duchesne	19 Morgan	30 San Juan	39 Wayne
09 Emery	20 Murray	31 Sevier	40 Weber
10 Garfield	21 Nebo	32 S. Sanpete	

(09) Cat and Dog Community Spay and Neuter Program
(UC §59-10-1310)

Contributions help fund exempt organizations and city or county animal shelters where licensed veterinarians spay and neuter cats and dogs owned by low-income persons.

For more information, contact:

Utah Department of Agriculture
350 N Redwood Rd.
PO Box 146500
Salt Lake City, UT 84114-6500
801-538-7161

(11) Canine Body Armor Account
(UC §59-10-1315)

Contributions help fund the purchase of personal protection body armor covering to protect a police service canine against gunfire.

For more information, contact:

Department of Public Safety
4501 S 2700 W
PO Box 141775
Salt Lake City, UT 84114-1775
801-965-4160

(12) Invest More for Education Account
(UC §59-10-1318)

Contributions from this account may be appropriated by the Legislature for the support of the public education system.

(13) Youth Development Organization Account
(UC §59-10-1316)

Contributions are used to support a youth development organization council that is chartered by a youth development

organization. The council must be exempt from federal income taxation under IRC Section 501(c)(3), have more than 35,000 youth members in the state, and cover a specific geographic area within the state.

A youth development organization is one that is exempt from federal income taxation under IRC Section 501(c)(3) and has more than 180,000 youth members within the state.

Both the youth development organization and the youth development organization council must have as their mission to prepare youth members to make ethical and moral choices over their lifetimes, and accomplishes this mission by building character, teaching citizenship, and developing personal fitness.

A youth member of a qualified organization must be a person who has a valid membership in the organization, is affiliated with a particular youth development organization council, and is 20 years of age or younger.

Currently, the only organizations known to qualify to receive these contributions are the Great Salt Lake Council of the Boy Scouts of America, the Trapper Trails Council of the Boy Scouts of America, and the Utah National Parks Council of the Boy Scouts of America.

For more information, contact:

Division of Housing and Community Development
140 E 300 S
Salt Lake City, UT 84111
801-503-8970

(14) Youth Character Organization Account
(UC §59-10-1317)

Contributions are used to support a youth character organization council that is chartered by a youth character organization. The council must be exempt from federal income taxation under IRC Section 501(c)(3), and covers a specified geographic area that includes a geographic area within the state.

A youth character organization must be chartered under 36 U.S.C. 80301.

Both the youth character organization and the youth character organization council must have as their mission to prepare youth members to make ethical and moral choices over their lifetimes, and accomplishes this mission by building character, teaching citizenship, and developing personal fitness.

A youth member must be a person who has a valid membership in the youth character organization, is affiliated with a particular youth character organization council, and is 18 years of age or younger.

Currently, the only organization known to qualify to receive these contributions is the Girl Scouts of Utah.

For more information, contact:

Division of Housing and Community Development
140 E 300 S
Salt Lake City, UT 84111
801-503-8970

Part 5 - Utah Educational Savings Plan - Refund Application

(UC §59-10-1313)

TIP If you elect to have your refund sent to your UESP account(s), do not enter anything on TC-40, page 2, lines 44 and 45.

You may have your entire refund automatically contributed to your Utah Educational Savings Plan (UESP) 529 individual account(s) by entering an "X" in Part 5. Partial refunds are not allowed. The refund will be sent to UESP along with your name, address, and social security number as identification.

UESP will deposit your refund into your UESP account(s). If you have multiple UESP individual accounts under your social security number, your refund will be divided equally among all your individual accounts. Both social security numbers from a joint return will be matched to existing UESP individual accounts for dividing the refund.

If you do not have a UESP individual account, UESP will send you information to open an account. If you do not open an account within the designated time frame, your refund will be returned to you by UESP without interest or earnings.

NOTE: Your refund will not be contributed to your UESP individual account until your return has completed processing, which may take up to 90 days. Any outstanding federal or state debt you owe may be subtracted from your refund before it is contributed to your UESP individual account(s). The refund will be treated as a current year contribution in the year contributed.

For more information on UESP accounts, call 801-321-7188 or 1-800-418-2551, or visit uesp.org.

Part 6 – Direct Deposit to Foreign Account

In order to comply with banking rules, if you requested direct deposit on TC-40, page 2, and you want your direct deposit to go to an account outside of the United States or its territories, check the box in Part 6. The Tax Commission cannot transfer funds outside of the United States and checking this box will cause any refund to be sent to you by check.

Part 7 – Property Owner's Residential Exemption Termination Declaration

Utah law requires you to notify the county when you have a primary residential property on which you have claimed the homeowner's exemption and to which you are no longer entitled. In addition, you must make a declaration on your Utah income tax return stating you no longer qualify for the homeowner's exemption on your primary residence.

Note: If you change your primary residence and were entitled to claim the homeowner's exemption on your former residence and are entitled to claim the homeowner's exemption on your new residence, do not complete Part 7. If you are unsure about your homeowner's exemption qualification, contact the county assessor's office.

Check the box in Part 7 if you no longer are entitled to the homeowner's exemption and enter the code from the chart below for the county in which the property is located.

County Codes

01 Beaver	11 Iron	21 Sevier
02 Box Elder	12 Juab	22 Summit
03 Cache	13 Kane	23 Tooele
04 Carbon	14 Millard	24 Uintah
05 Daggett	15 Morgan	25 Utah
06 Davis	16 Piute	26 Wasatch
07 Duchesne	17 Rich	27 Washington
08 Emery	18 Salt Lake	28 Wayne
09 Garfield	19 San Juan	29 Weber
10 Grand	20 Sanpete	

Mailing Your Utah Return

Mail your return and any payment to the address shown at the bottom of TC-40, page 3.

Direct Deposit Example for Line 45

JOHN J. TAXPAYER
MARY S. TAXPAYER
 900 N 500 W
 My Town, UT 84000

1234

PAY TO THE ORDER OF _____ \$ _____

DOLLARS

MY TOWN BANK
 My Town, UT 84000

FOR _____

Routing number **Account number** **Do not include the check number**

⑆ 250250025 ⑆ 000009876543 ⑆ 1234

• **Routing number**
 2 5 0 2 5 0 0 2 5

• **Account number**
 0 0 0 0 0 9 8 7 6 5 4 3

Enter "X" for bank account type
 • Checking ☒ • Savings ☐

TC-40A - Supplemental Schedule Instructions

TC-40A is used to enter five categories of items affecting the individual income tax return:

- Part 1 - Additions to Income (added to federal income);
- Part 2 - Subtractions from Income (subtracted from federal income);
- Part 3 - Apportionable Nonrefundable Credits (apportioned for non or part-year residents);
- Part 4 - Nonapportionable Nonrefundable Credits; and
- Part 5 - Refundable Credits.

Part 1 - Additions to Income

Enter the following additions to income that apply on TC-40A, Part 1 and attach it to your Utah return.

On TC-40A, write the **code and amount** of each addition to income. Enter the sum of all additions to income on line 5 of your Utah TC-40. Each addition to income is explained below.

Codes for Additions to Income, TC-40A, Part 1

- 51 Lump Sum Distribution
- 53 Medical Care Savings Account (MSA) Addback
- 54 Utah Educational Savings Plan (UESP) 529 Plan Addback
- 55 Reimbursed Adoption Expenses Addback
- 56 Child's Income Excluded from Parent's Return
- 57 Municipal Bond Interest
- 60 Untaxed Income of a Resident Trust
- 61 Untaxed Income of a Nonresident Trust
- 69 Equitable Adjustments

(51) Lump Sum Distribution

(UC §59-10-114(1)(a))

TIP This addition to income only applies if you filed form 4972 with your federal return.

If you received a lump sum distribution and filed federal form 4972, enter the total of the amounts shown on Part II, line 6 and on Part III, line 10. Keep a copy of form 4972 and any 1099-R forms showing the distribution with your records.

Shared Distributions: If you shared a lump sum distribution with others, enter the amount calculated by multiplying the amount on line 10 of IRS form 4972 by the distribution percentage shown in box 9a on your form 1099-R, then adding the amount shown on form 4972, Part II, line 6.

(53) Medical Care Savings Account (MSA) Addback

(UC §59-10-114(1)(c))

An account holder who contributes to a MSA will receive a form TC-675M, *Statement of Withholding for Utah Medical Savings Account*, from the account administrator. Enter the sum from TC-675M, lines 8 and 9 only up to the amount deducted or used in calculating the MSA credit on your current or previously filed Utah tax return. Keep form TC-675M with your records.

(54) Utah Educational Savings Plan (UESP) 529 Plan

Addback (UC §59-10-114(1)(d))

If you withdrew an amount from a Utah Educational Savings Plan (UESP) 529 account but did not use it for qualified higher education expenses and the withdrawal did not meet an exception under IRC §529(c) or §530(d), enter that amount to the extent the amount was deducted or used in calculating the UESP credit on your current or a previously filed Utah tax return. If you are a UESP account owner, you will receive form TC-675H, *Utah Educational Savings Plan Tax Statement for Contributions, Withdrawals, and Transfers*, from UESP. Keep this form with your records. If you have any questions about UESP accounts, call UESP at 801-321-7188 or 800-418-2551, or visit uesp.org.

(55) Reimbursed Adoption Expenses Addback

(UC §59-10-114(1)(h))

Enter any adoption expense deducted on your Utah return for a tax year before 2008 for which you received in the current year a reimbursement from your insurance company, a public welfare agency, a private charitable organization, or any other source.

(56) Child's Income Excluded from Parent's Return

(UC §59-10-114(1)(b))

A parent who reports a child's interest and dividends on their federal return must add any child's income excluded from the parent's income to their Utah return. Use the following worksheet to calculate the add back.

1. Enter the lesser of federal form 8814, line 4 or line 5	\$ _____
2. Federal amount not taxed	\$ <u>1,000</u>
3. Subtract line 2 from line 1. If less than zero, enter "0." This is the addition to Utah income.	\$ _____

If income for more than one child is reported on the parent's return, complete the calculation above separately for each child using their respective federal form 8814. Total the amounts from line 3 above for each child and enter the amount on TC-40A, Part 1, using code 56.

(57) Municipal Bond Interest

(UC §59-10-114(1)(e))

Enter interest from certain bonds, notes and other evidences of indebtedness issued by non-federal government entities outside Utah (commonly known as municipal bonds) if acquired on or after January 1, 2003. Do not enter interest earned on non-Utah municipal bonds if the issuing state (or political subdivision) does not impose an income tax on bonds issued by Utah, or the issuing state does not impose an income tax. See details at incometax.utah.gov/additions/municipal-bond-interest.

(60) Untaxed Income of a Resident Trust

(UC §59-10-114(1)(f))

Enter any distribution received by a Utah resident beneficiary of a resident trust if the income was taxed at the trust level for federal tax purposes, but was subtracted from Utah taxable income.

(61) Untaxed Income of a Nonresident Trust

(UC §59-10-114(1)(g))

Enter any distribution received by a Utah resident beneficiary of a nonresident trust of undistributed distributable net income realized by the trust on or after January 1, 2004, if the income was taxed at the trust level for federal tax purposes, but not taxed at the trust level by any state. Undistributed distributable net income is considered to be distributed from the most recently accumulated undistributed distributable net income.

(69) Equitable Adjustments

(UC §59-10-115(1))

Enter any qualified equitable adjustment needed to prevent receiving a double tax benefit. Attach an explanation of any equitable adjustment reported.

Part 2 - Subtractions from Income

Enter the following subtractions from income that apply on TC-40A, Part 2 and attach it to your Utah return.

On TC-40A, write the **code and amount** of each subtraction from income. Enter the sum of all subtractions from income on line 8 of your Utah TC-40. Each subtraction from income is explained below.

Codes for Subtractions from Income, TC-40A, Part 2

- 71 Interest from U. S. Government Obligations
- 77 Native American Income
- 78 Railroad Retirement Income
- 79 Equitable Adjustments
- 82 Nonresident Active Duty Military Pay
- 85 State Tax Refund Distributed to Beneficiary of Trust
- 88 Nonresident Military Spouse Income

(71) Interest from U. S. Government Obligations

(UC §59-10-114(2)(a))



Pub 33 - Detailed instructions of Interest from U. S. Government Obligations - tax.utah.gov/forms

Interest earned on U. S. Government obligations issued by an agency or instrumentality of the United States is **exempt** from state income tax. These obligations include:

- Treasury bills,
- Treasury notes, and
- E, EE, H, HH, and I bonds.

The following income is **NOT** exempt from Utah income tax:

- Interest or dividends from Federal National Mortgage Association (FNMA) and Government National Mortgage Association (GNMA); and
- Interest on IRS or other federal agency refunds.

The following conditions determine if the instrument qualifies as a U. S. Government obligation (see U.S. Supreme Court decision, *Smith vs. Davis*, 323 U.S. 111 (1944)). The instrument must: (1) be a written document, (2) bear interest, (3) contain a binding promise by the U. S. Government to pay a specific sum on a specific date, and (4) have congressional authorization to pledge the full faith and credit of the United States in support of the promise to pay.

Only interest or dividend income from U. S. Government obligations included in your federal adjusted gross income should be deducted from Utah income. Before entering an amount, subtract any related interest expense on money borrowed to purchase the obligation or security.

Keep all records, forms and worksheets to support this subtraction.

(77) Native American Income

(UC §59-10-114(2)(b) and (e))

A member of a Native American tribe in Utah who lives and works on the reservation where he/she is an enrolled member is exempt from Utah income tax on the reservation income. An enrolled member of the Ute tribe who works on the Uintah and Ouray Reservation and lives on land removed from that reservation under *Hagen vs. Utah* (510 U.S. 399 (1994)) is exempt from Utah income tax on income earned on the reservation.

Enter the exempt income included in your federal total income on TC-40A, Part 2, using code 77. Enter your enrollment/census number and your Native/Tribal Code from the list in the next column.

Nation/Tribal Code

- 1 Confederated Tribes of the Goshute Reservation
- 2 Navajo Nation Reservation
- 3 Paiute Indian Tribe of Utah
- 4 Skull Valley Band of Goshute Indians
- 5 Ute Indian Tribe
- 6 Other tribe

(78) Railroad Retirement Income

(UC §59-10-114(2)(d))

Federal law does not permit states to tax railroad retirement, disability income, unemployment income, and sickness benefits received from the Railroad Retirement Board and reported on form RRB-1099.

Railroad retirement pensions are deductible only if taxed on the federal return. If you received pension payments, disability income or unemployment payments under the Railroad Retirement Act and report all or part of the amount received as income on federal form 1040, lines 16b and/or 20b, or on federal form 1040A, lines 12b and/or 14b, you may deduct that amount from Utah income. If amounts from sources other than railroad retirement are included on these lines on your federal return, only deduct the amount of railroad retirement reported on these lines.

If you use a railroad retirement pension from form RRB-1099 to calculate the retirement credit on form TC-40C for a taxpayer under age 65, do not deduct the amount again on TC-40A, Part 2.

(79) Equitable Adjustments

(UC §59-10-115(1))

Enter any qualified equitable adjustment needed to prevent paying double tax. Attach an explanation of any equitable adjustment claimed.

(82) Nonresident Active Duty Military Pay

(UC §59-10-103(1)(l))

Active duty military service pay received by a nonresident is not taxable on the Utah return. The amount of active duty military pay included in federal adjusted gross income should be deducted on TC-40A, Part 2, using code 82. Also, see instructions for TC-40B, column A and Pub 57, *Military Personnel Instructions*.

(85) State Tax Refund Distributed to Beneficiary of Trust

(UC §59-10-114(2)(c))

Enter any state tax refund distributed to a beneficiary of a resident trust if the tax was used to compute federal income of the resident trust for the year.

(88) Nonresident Military Spouse Income

All income of the nonresident spouse of a nonresident active duty military service member may be exempt from Utah tax if the following conditions are met: (1) the nonresident spouse had the same domicile as the nonresident service member prior to moving to Utah, (2) the nonresident active duty service member is in Utah under military orders, and (3) the nonresident spouse is in Utah to be with their military spouse.

Deduct total income of the nonresident spouse on TC-40A, Part 2, using code 88.

When completing TC-40B, deduct only the Utah income of the nonresident spouse in Column A, line 32.

Part 3 - Apportionable Nonrefundable Credits

Apportionable nonrefundable credits can reduce your income tax to zero, but any credit greater than the tax will not be refunded.

Claim the following apportionable nonrefundable credits (credits that must be apportioned for nonresidents and part-year residents) that apply on TC-40A, Part 3 and attach it to your Utah return.

On TC-40A, write the **code and amount** of each apportionable nonrefundable credit you are claiming. Enter the sum of these credits being claimed on line 24 of your TC-40. Each apportionable nonrefundable credit is explained below.

Keep all related documents with your records. You may have to provide this information later to verify a credit claimed on your return.

Codes for Apportionable Nonrefundable Credits, TC-40A Part 3

- 04 Capital Gain Transactions Credit
- 18 Retirement Tax Credit
- 20 Utah Educational Savings Plan (UESP) 529 Plan Credit
- 22 Medical Care Savings Account (MSA) Credit
- 23 Health Benefit Plan Credit
- 24 Qualifying Solar Project Credit
- 26 Gold and Silver Coin Sale Credit

(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:

1. The transaction occurs on or after January 1, 2008;
2. At least 70% 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
3. You did not have an ownership interest in the qualified Utah small business corporation at the time of investment.

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 your credit. \$ _____
- Enter this amount on TC-40A, Part 3, using code 04.

See incometax.utah.gov/credits/capital-gains for more information.

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

Note: Any credit that is more than the tax liability may not be carried back or forward.

(18) Retirement Tax Credit

(UC §59-10-1019)

Complete form TC-40C to calculate your retirement credit. Enter the amount from TC-40C, line 18 on TC-40A, Part 3, using code 18. Attach the TC-40C to your Utah return.

Note: Any retirement credit that is more than the tax liability may not be carried back or forward.

1. Taxpayers age 65 or older

Each taxpayer (you, and/or your spouse if filing jointly) age 65 or older as of December 31, 2013 may be allowed a retirement credit of up to \$450. (If a taxpayer died during the year, the age on the date of death is used to determine if that taxpayer was age 65 or older.) This credit is limited by

the total of your modified adjusted gross income, nontaxable interest income, and any additions to income reported on TC-40A, Part 1.

2. Taxpayers under age 65 who were born before January 1, 1953

Each taxpayer (you, and/or your spouse if filing jointly) under age 65 as of December 31, 2013 **and** born before January 1, 1953, who received eligible retirement income, may qualify for a credit up to \$288, but not more than 6% of the qualifying income. The credit is limited by the total of your modified adjusted gross income, nontaxable interest income, and any additions to income reported on TC-40A, Part 1.

Note: The retirement credit is phased-out when modified adjusted gross income exceeds certain amounts based on filing status (shown on line 15 of TC-40C). When calculating modified adjusted gross income on line 14, do not include any municipal bond interest on line 13 reported on TC-40A, Part 1, code 57.

Qualifying Income

Qualifying income is pensions, annuities or taxable retirement social security benefits. To claim the credit you must have earned the qualifying income. You cannot use pension, annuity or social security income of your spouse as your qualified income.

The following are retirement income:

1. Amounts paid from an annuity contract bought under a plan your employer contributed to and you cannot revoke under IRC Section 404(a)(2);
2. Amounts purchased by an employee under a plan that meets the requirements of IRC Section 408 (IRA plans);
3. Amounts paid by the United States, a state thereof, or the District of Columbia; and
4. Taxable retirement social security benefits (excluding survivor benefits), only if included in your federal adjusted gross income.

Income That Does NOT Qualify

1. Disbursements from deferred compensation plans, such as Section 401(k) and Section 457 plans; and
2. Social security survivor benefits a child receives on behalf of a deceased employee.

(20) Utah Educational Savings Plan (UESP) 529 Plan Credit (UC §59-10-1017)

If a qualified contribution was made to your Utah Educational Savings Plan (UESP) 529 account, you may claim a nonrefundable credit. To qualify, the contribution must be made during the taxable year and must not have been deducted on your federal return.

If your tax filing status is single, head of household, married filing separate, or qualifying widow(er), the credit is 5 percent of contributions made (up to \$1,840 per qualified beneficiary) during the tax year, with a maximum credit of \$92 per qualified beneficiary.

If married filing jointly, the credit is 5 percent of contributions made (up to \$3,680 per qualified beneficiary) during the tax year, with a maximum credit of \$184 per qualified beneficiary. If both you and your spouse receive a TC-675H form for contributions for the same beneficiary, you must limit your total aggregated tax credit to \$184 for that beneficiary.

If you are a UESP account owner, you will receive form TC-675H, *Utah Educational Savings Plan Tax Statement for Contributions, Withdrawals, and Transfers*, from UESP. Your

allowable credit is shown in box 1A or 1B, whichever applies. Enter this credit on TC-40A, Part 3, using code 20.

Keep form TC-675H with your records. If you have any questions about UESP accounts, call UESP at 801-321-7188 or 1-800-418-2551, or visit uesp.org.

Note: Any credit that is more than the tax liability may not be carried back or forward.

(22) Medical Care Savings Account (MSA) Tax Credit (UC §59-10-1021)

TIP If you did not receive a TC-675M, you are not entitled to this credit.

If you made a qualified investment in a Medical Care Savings Account (MSA) and did not deduct that investment on your federal form 1040, you may use the MSA amount to calculate your Utah credit.

Contributions to a health savings account (HSA) or a flexible spending account (FSA) account do not qualify for this credit.

The Utah resident account holder of an MSA receives form TC-675M, *Statement of Withholding for Utah Medical Savings Account*, from the account administrator. Include the sum of lines 5 and 6, on line 1 of the calculation below. Keep form TC-675M with your records.

Calculation of Medical Care Savings Account Tax Credit

1. Eligible amount for credit from line 5 and line 6 of form TC-675M \$ _____
2. Multiply line 1 by 5% (.05). This is your MSA credit. \$ _____
Enter this amount on TC-40A, Part 3, using code 22.

Note: Any credit that is more than the tax liability may not be carried back or forward.

(23) Health Benefit Plan Credit (UC §59-10-1023)

TIP Amounts itemized or otherwise deducted in determining federal taxable income, or used to claim a federal credit, cannot be used for this Utah credit.

You may claim a credit of 5% of the amount paid for a health benefit plan only if you, or your spouse on a joint return, are **not** insured under a health benefit plan maintained and funded in whole or in part by your employer or another person's employer. You cannot claim this credit if you choose not to participate in a plan maintained and funded by a current or former employer. You also cannot use pre-tax deductions from wages through employer-sponsored programs, such as a cafeteria or flex plan, to claim the credit.

Payments to COBRA health plans qualify for this credit if 100% of the premiums are paid by you or your spouse, and are not subsidized or funded by the current or former employer or another person's employer. You cannot claim COBRA payments if you choose not to participate in a plan maintained and funded by a current or former employer.

Excluded Amounts

The credit is 5% of amounts paid for health benefit plans (but not self-insurance) after deducting the following:

1. Amounts used to calculate a credit for health insurance costs of eligible individuals (IRC Section 35),
2. Income exclusions for employer-provided coverage under an accident or health plan (IRC Section 106),
3. Cafeteria or employer plans covering all employees who may choose among two or more cash and qualified benefits (IRC Section 125),

4. Trade or business expenses for self-employed individuals up to 100% of premiums paid, but not more than your net business income (IRC Section 162),
5. Medical and dental expenses deducted on federal Schedule A (IRC Section 213), and
6. All dental, vision, supplemental health, or Medicare supplemental policies if not part of your health benefit plan.

The maximum credit is:

1. \$300 for a single taxpayer (including married filing separately, head of household, and qualifying widow(er)) with no dependents,
2. \$600 for a married couple filing jointly with no dependents, and
3. \$900 for all taxpayers (any filing status) with dependents.

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

Calculation of Health Benefit Plan Credit

1. Amount paid for health benefit plan \$ _____
2. Excluded amount (see instructions) (_____)
3. Subtract line 2 from line 1 \$ _____
4. Multiply line 3 by 5% (.05). \$ _____
5. Enter maximum credit allowed per return \$ _____
\$300 for single taxpayer with no dependents
\$600 for married filing jointly with no dependents
\$900 for all taxpayer(s) with dependents
6. Enter the lesser of line 4 or line 5. This is your credit.
Enter this amount on TC-40A, Part 3, using code 23. \$ _____

Note: Any credit that is more than the tax liability may not be carried back or forward.

See incometax.utah.gov/credits/health-benefit-plans-credit for more information.

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

You may claim a credit of 25% of the amount paid to buy one or more solar units from a qualifying political subdivision, up to a maximum credit of \$2,000 per year. This 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 electric bill.

Calculation of Qualifying Solar Project Credit

1. Amount paid for solar unit(s) \$ _____
2. Multiply line 1 by 25% (.25) \$ _____
3. Enter lesser of line 2 or \$2,000. This is your credit. \$ _____
Enter this amount on TC-40A, Part 3, using code 24.

Note: Any credit that is more than the tax liability or in excess of \$2,000 may be carried forward for the next four years.

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

For more information, contact your city or electrical utility provider.

(26) Gold and Silver Coin Sale Credit

(UC §59-10-1028)

Capital gains recognized on the sale or exchange of gold and silver coins issued by the United States government and reported on an individual federal income tax return are eligible for an apportionable non-refundable credit against Utah tax.

You may also include any gold or silver coin or bullion, other than that issued by the United States, if a court of competent jurisdiction issues a final, unappealable judgment or order determining that Utah may recognize the gold or silver coin or bullion as legal tender in the state, or congress enacts legislation expressly providing that such coin or bullion is legal tender.

To qualify for the credit, all of the following conditions must be met:

1. The capital gain transaction must be for the sale or exchange of gold or silver coin issued by the federal government for another form of legal tender;
2. The capital gain transaction must result in a short-term or long-term capital gain (defined in IRC §1222) that is reported on Schedule D of your federal individual or fiduciary return;
3. Any eligible capital gain must first be offset by any capital loss recognized for the year for federal purposes from the sale of gold and/or silver coin; and
4. The transaction must be made during the taxable year.

For more information, see UC Title 59, Chapter 1, Part 15, Specie Legal Tender Act.

Calculation of Gold and Silver Coin Sale Credit

1. Capital gains on all sales and exchanges of gold and silver coins	\$ _____
2. Capital losses on all sales and exchanges of gold and silver coins	\$ _____
3. Subtract line 2 from line 1 (if a loss, STOP, there is no credit)	\$ _____
4. Amount from form 1040, Schedule D, line 16 (if a loss, STOP, there is no credit)	\$ _____
5. Enter the lesser of line 3 or line 4	\$ _____
6. Credit percentage - 5%	.05
7. Credit - multiply line 5 by line 6	\$ _____

Enter this amount on TC-40A, Part 3, using code 26.

Part 4 - Nonapportionable Nonrefundable Credits

Nonapportionable nonrefundable credits can reduce your income tax to zero, but any credit greater than the tax will not be refunded.

Claim any of the following nonapportionable nonrefundable credits that apply on TC-40A, Part 4 and attach it to your Utah return.

On TC-40A, write the **code and amount** of each nonapportionable nonrefundable credit you are claiming. Enter the sum of these credits on line 26 of your TC-40. Each nonapportionable nonrefundable credit is explained below.

Keep all related documents, including credit forms, with your records. You may have to provide this information later to verify a credit claimed on your return.

Codes for Nonapportionable Nonrefundable Credits, TC-40A Part 4

- 01 At-Home Parent Tax Credit
- 02 Qualified Sheltered Workshop Cash Contribution Credit
- 05 Clean Fuel Vehicle Credit
- 06 Historic Preservation Credit
- 07 Enterprise Zone Credit
- 08 Low-Income Housing Credit
- 10 Recycling Market Development Zone Credit
- 12 Credit for Increasing Research Activities in Utah
- 13 Carryover Credit for Machinery and Equipment Used to Conduct Research
- 17 Credit for Income Tax Paid to Another State
- 19 Live Organ Donation Expenses Credit
- 21 Renewable Residential Energy Systems Credit
- 25 Combat Related Death Credit
- 27 Veteran Employment Tax Credit

(01) At-Home Parent Tax Credit

(UC §59-10-1005)

An at-home parent may claim a nonrefundable credit of \$100 for each child 12 months old or younger on the last day of 2013. An at-home parent includes a:

- Biological mother or father,
- Stepmother or stepfather,
- Adoptive parents,
- Foster parents,
- Legal guardian, or
- Individuals housing a child placed by a child-placing agency for legal adoption.

To qualify for the credit, all of the following conditions must be met:

1. The child must be 12 months or younger on the last day of 2013;
2. The at-home parent must provide full-time care in their residence;
3. The child must be claimed as a dependent on the at-home parent's return;
4. The total of the at-home parent's wages, tips and compensation listed on federal W-2 forms and the gross income on federal Schedule C, *Profit or Loss from Business*, line 7, or Schedule C-EZ, *Net Profit from Business*, line 1, must be \$3,000 or less for the taxable year; and
5. The federal adjusted gross income shown on TC-40 line 4 must be \$50,000 or less.

Note: Any credit that is more than the tax liability may not be carried back or forward.

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

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

TIP Charitable contributions claimed on the federal Schedule A cannot be claimed as a credit here.

Cash contributions made during 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% of the total cash contributions.

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

The name of the qualified workshop must be written on TC-40A, Part 4 to claim the credit.

Note: Any credit that is more than the tax liability may not be carried back or forward.

For more information contact:

Division of Services for People with Disabilities
195 N 1950 W
Salt Lake City, UT 84116
801-538-4200
dspd.utah.gov

(05) Clean Fuel Vehicle Credit

(UC §59-10-1009)

This credit is available if: (1) you buy a new vehicle that meets air quality and fuel economy standards; (2) you buy a qualified vehicle fueled by compressed natural gas; (3) you buy equipment to convert a vehicle to run on propane, natural gas, electricity, or other approved fuel; and/or (4) you buy 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.

Note: Any credit that is more than the tax liability may be carried forward for the next five years.

For more information contact:

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

(06) Historic Preservation 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.

Note: Any credit that is more than the tax liability may be carried forward for the next five years.

For more information contact:

State Historic Preservation Office
300 S Rio Grande St.
Salt Lake City, UT 84101
801-533-3500

heritage.utah.gov/history/state-tax-credit

(07) Enterprise Zone Credit

(UC §63M-1-413)

TIP You may not claim this credit or carry it into the same year you claim the recycling market development zone credit (nonapportionable nonrefundable credit, code 10) or the targeted business tax credit (refundable credit, code 40).

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

If you are allocated enterprise zone credit from your ownership in a partnership or S corporation, your credit must be based on your ownership percentage.

Note: Any credit that is more than the tax liability may be carried forward for the next three years.

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

For more information contact:

Governor's Office of Economic Development
60 E South Temple, 3rd Floor
PO Box 146950
Salt Lake City, UT 84114-6950
801-538-8804

incometax.utah.gov/credits/enterprise-zones or
business.utah.gov/incentives/enterprise_zones

(08) Low-Income Housing Credit

(UC §59-10-1010)

This credit is determined by the Utah Housing Corporation for owners of a low-income housing project who also received part of the federal low-income housing tax credit. When this credit applies, the project owner will provide you form TC-40TCAC (issued by the Utah Housing Corporation).

If you share in this credit, get 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 also complete and attach to his return form TC-40LIS, *Credit Share Summary of Low-Income Housing Project*.

Note: Any credit that is more than the tax liability may be carried back three years or forward for the next five years. If you are carrying this credit back or forward, also complete form TC-40LIC, *Utah Low-Income Housing Tax Credit Carryback and/or Carryforward*.

For more information contact:

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

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

TIP You may not claim this credit or carry it into the same year you claim the enterprise zone credit (nonapportionable nonrefundable credit, code 07) or the targeted business tax credit (refundable credit, code 40).

The credit is available for qualified machinery and equipment purchased and for other qualified expenditures made by 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.

Note: Any credit that is more than the tax liability may be carried forward for the next three years.

For more information contact:

Governor's Office of Economic Development
60 E South Temple, 3rd Floor
PO Box 146950
Salt Lake City, UT 84114-6950
801-538-8804

business.utah.gov/incentives/recycling_zones

(12) Credit for Increasing 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. 7.5% of your qualified research expenses in a taxable year beginning on or after January 1, 2012.

Note: Any credit for 1 or 2 above that is more than the tax liability may be carried forward for the next 14 taxable years.

Any credit for 3 above may not be carried forward.

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

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

The credit expired for taxable years beginning after 2010.

If you claimed a credit on your return for machinery and/or equipment used to conduct research for a year after 1997 and prior to 2011 and the credit was more than the tax liability for the year, you may carry over the excess credit to the next 14 years and use it to offset tax until used up. If you are using any remaining credit in 2013, enter that carryover amount on TC-40A, Part 4, using code 13.

(17) Credit for Income Tax Paid to Another State (UC §59-10-1003)

If you are a Utah resident or part-year resident with income that is taxed by Utah and another state(s), the District of Columbia, or a possession of the United States, you may be entitled to a credit for income tax paid to the other state(s). Nonresidents do not qualify for this credit.

Complete and attach form TC-40S, *Credit for Income Tax Paid to Another State*. If there are two or more states, use separate calculations for each state. See examples at incometax.utah.

gov/credits/taxes-paid-to-other-states. Carry the sum of the credits from TC-40S, line 7 to TC-40A, Part 4, using code 17.

Do not use the state income tax withheld from form W-2 as the tax paid to the other state. You must complete and file the other state's return to determine the tax amount paid. You may have to provide additional information later to verify this credit.

Part-year residents rarely qualify for this credit. If you are domiciled in Utah for part of the year and domiciled in another state for part of the year, you may only claim credit on the portion of income:

1. Taxable in Utah,
2. Taxed also by the other state(s), and
3. Included in "Column A - Utah" income on form TC-40B.

Part-year residents must prorate and enter the tax paid to the other state(s) on TC-40S, line 6. The credit only applies to the part of the tax paid on the income taxed in both states and shown on line 1.

Note: Any credit that is more than the tax liability may not be carried back or forward.

Keep a signed copy of the other state's return and all related documents with your records.

(19) Live Organ Donation Expenses Credit (UC §59-10-1015)

You may claim a credit up to \$10,000 of qualified costs incurred for donating human bone marrow, or any part of an intestine, kidney, liver, lung, or pancreas for transplanting in another individual. Qualified expenses include travel, lodging or a "lost wage" if the expense was not reimbursed, and the organ was donated by you or a dependent on your return.

Note: Any credit that is more than the tax liability may be carried forward for the next five years.

Complete form TC-40T, *Live Organ Donation Expenses Credit*. Do not send form TC-40T with your return. Keep the form and related documents with your records.

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

This credit is for reasonable costs, including installation, of a residential energy system that supplies energy to a Utah residential unit. Additional residential energy systems or parts may be claimed in following years as long as the total amount claimed does not exceed \$2,000 per residential unit. 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. The principal portion of the system's lease payments may qualify for the credit if the lessor irrevocably transfers the right to the credit to the new owner.

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Utah Office of Energy Development 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.

Note: Any credit that is more than the tax liability may be carried forward for the next four years.

For more information contact:

Utah Office of Energy Development (OED)
Box 144845
Salt Lake City, UT 84114-4845
801-538-8718
energy.utah.gov

(25) Combat Related Death Tax Credit (UC §59-10-1027)

If you are filing a return on behalf of a military service member who died as a result of military service in a combat zone, you may claim a nonrefundable tax credit equal to the amount of the tax liability on the return attributable to the deceased service member.

To qualify for the credit, all of the following conditions must be met:

1. The military service member must have been in an active or reserve component of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard;
2. The combat related death must have occurred on or after January 1, 2010;
3. The death must have occurred while the military service member was serving in a combat zone, or be the result of a wound, disease, or injury incurred while serving in a combat zone; and
4. The service must have been on or after the date declared by the President of the United States by Executive Order as a combat zone, and on or before such designation is terminated by the President.

If the return is being filed by a single individual (or married filing separately), the credit is equal to the tax liability shown on line 22. Enter this amount on TC-40A, Part 4, using code 25

If the return is being filed as married filing jointly (deceased service member and spouse), use the following calculation to determine the allowable credit.

Calculation of Combat Related Death Credit for Joint Return

- | | |
|---|----------|
| 1. Adjusted gross income on joint federal return | \$ _____ |
| 2. Federal adjusted gross income of deceased military member | \$ _____ |
| 3. Allocated percentage - divide line 2 by line 1 | _____ |
| 4. Amount of tax liability from TC-40, line 22 | \$ _____ |
| 5. Combat Related Death Credit - multiply line 3 by line 4. Enter this amount on TC-40A, Part 4, using code 25. | \$ _____ |

Note: You may use a different method of allocating the tax liability if that method more accurately reflects the deceased service member's tax liability.

(27) Veteran Employment Tax Credit (UC §59-10-1031)

A non-refundable credit is available to taxpayers who hire a qualified recently deployed veteran in a taxable year that begins on or after January 1, 2012.

A qualified recently deployed veteran is an individual who was mobilized to active federal military service in an active or reserve component of the United States Armed Forces, and received an honorable or general discharge within the two-year period before the employment begins.

To qualify for the credit, the qualified veteran must meet all of the following conditions:

1. Have received an honorable or general discharge within the two-year period before the employment begins;
2. Was collecting or was eligible to collect unemployment benefits, or has exhausted their unemployment benefits within the last two years, under Title 35A, Chapter 4, Part 4, *Benefits and Eligibility*;
3. Work for the taxpayer for at least 35 hours per week for not less than 45 of the 52 weeks following the veteran's employment start date.

The credit is claimed beginning in the year the 45 consecutive weeks in paragraph 3 above are met.

The credit is calculated as follows:

First Year Credit (count all months in the year the 45 week requirement is met):

1. Number of months or partial months veteran employed in first year	
2. Monthly credit allowable in first year	200
3. First year credit – multiply line 1 by line 2 (maximum \$2,400)	\$ _____

Second Year Credit:

4. Number of months or partial months veteran employed in 2nd year	
5. Monthly credit allowable in second year	400
6. Second year credit – multiply line 4 by line 5 (maximum \$4,800)	\$ _____

Any credit in excess of tax due will not be refunded, but may be carried forward to offset tax for up to five years.

The following documentation for the qualified recently deployed veteran must be retained by the taxpayer to support the credit claimed, and made available to the Tax Commission upon request:

1. Veteran's name, last known address, and taxpayer identification or social security number;
2. Start date of employment;
3. Documentation establishing that the veteran was employed 45 out of the 52 weeks after the date of employment;
4. Documentation provided by the recently deployed veteran's military service unit establishing that the veteran is a recently deployed veteran; and
5. A signed statement from the Department of Workforce Services that the recently deployed veteran was collecting, was eligible to collect, or exhausted their unemployment benefits within the last two years.

Part 5 - Refundable Credits

Claim the following refundable credits that apply on TC-40A, Part 5 and attach it to your Utah return.

On TC-40A, write the **code and amount** of each credit you are claiming. Enter the sum of these credits being claimed on line 38 of your Utah TC-40. Each refundable credit is explained below.

Keep all related documents, including credit forms, with your records. You may have to provide this information later to verify a credit claimed on your return.

Codes for Refundable Credits, TC-40A Part 5

- 39 Renewable Commercial Energy Systems Tax Credit
- 40 Targeted Business Tax Credit
- 41 Special Needs Adoption Credit
- 47 Agricultural Off-highway Gas/Undyed Diesel Credit
- 48 Farm Operation Hand Tools 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 Office of Energy Development 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 Office of Energy Development (OED)
195 N 1950 W, 2nd Floor
Box 144845
Salt Lake City, UT 84114-4845
801-538-8718
energy.utah.gov

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

TIP You may not claim this credit the same year you claim the enterprise zone tax credit (nonapportionable nonrefundable credit, code 07) or the recycling market development zone tax credit (nonapportionable 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.

For more information contact:

Governor's Office of Economic Development
60 E South Temple, 3rd Floor
PO Box 146950
Salt Lake City, UT 84114-6950
801-538-8804
business.utah.gov/incentives/enterprise_zones

(41) Special Needs Adoption Credit (UC §59-10-1104)

You may claim a refundable credit of \$1,000 for a special needs child you adopt for whom the adoption order was issued by a court of competent jurisdiction in Utah or another state, or a foreign country. You must be a resident of the State of Utah on the date the order is issued. If the adoption is made by a foreign country, the adoption must be registered in accordance with UC Section 78B-6-142.

To claim this credit, the child must meet one of the following conditions: (1) be five years of age or older; (2) be under the age of 18 with a physical, emotional, or mental disability; or (3) be part of a sibling group (two or more persons) placed together for adoption.

The credit may not exceed \$1,000 per taxable year, regardless of the number of qualifying special needs children adopted during the year.

If the adoption order is issued by a court in Utah or another state, the credit may only be claimed the year the adoption order becomes final. If the adoption order is issued by a foreign country, the credit may only be claimed the year a court of competent jurisdiction in Utah orders the state registrar to file the adoption order issued by the foreign country.

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

(47) Agricultural Off-highway Gas/Undyed Diesel 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. This does not include (but is not limited to) the following: golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, personal farming, etc.

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.

TC-40B - Non or Part-year Resident Schedule Instructions

TC-40B is used to calculate the Utah tax for a nonresident or a part-year resident.

Residency Status

1. If a nonresident, enter the two-character home state postal abbreviation. If you are a resident of a foreign country (a foreign national or citizen), enter "NA" in the home state abbreviation field.
2. If a part-year resident, enter the date you established residency in Utah and the date such residency ended. Enter dates in the format mm/dd/yy.

Follow these steps to calculate your Utah tax.

1. Complete form TC-40, page 1, and page 2 through line 24.
2. Complete form TC-40B, *Non or Part-Year Resident Schedule*.

Column A – Utah Income and Adjustments:

Enter on lines 1 through 15 all income (loss) earned or received from Utah sources while not a Utah resident, plus all income (loss) earned or received from all sources while a Utah resident (even if not from a Utah source), and which is included in income on the federal return.

Enter on line 16 only the additions to income attributable to Utah and shown on TC-40A, Part 1. In the case of an addition to income attributable to a Medical Savings Account addback, a Utah Educational Savings Plan addback, or reimbursed adoption expenses addback, only include the addition in the Utah column to the extent it was previously subtracted from Utah taxable income. Include in the Utah column an equitable adjustment shown on TC-40A, Part 1, only to the extent the equitable adjustment relates to additions to income from Utah sources.

Enter on line 17 the total of lines 1 through 16.

Enter on lines 18 through 30 adjustments applicable to Utah income, including moving expenses when moving into Utah on line 21.

Enter on line 31 a subtraction for a state tax refund included on line 10 of federal form 1040, only to the extent the refund subtracted is related to Utah tax.

Enter on line 32 only the subtractions from income attributable to Utah and shown on TC-40A, Part 2. Include in the Utah column an equitable adjustment shown on TC-40A, Part 2, only to the extent the equitable adjustment relates to subtractions from income from Utah sources.

Enter on line 33 the total of lines 18 through 32.

If you have federal adjustments written in on line 36 of federal form 1040, enter the description and amount of the Utah portion of these adjustments on TC-40B on the line beneath line 32, and include the amount in the total on line 33.

Note: Nonresident active duty military pay included in federal income should not be included in the Utah column on line 1. The Utah portion of income of a nonresident military spouse should be included in the Utah column (lines 1 through 16, whichever applies), and the deduction claimed on TC-40A, Part 2 for this income (code 88) should be included on line 32 also.

Column B – Total Income and Adjustments:

Enter on lines 1 through 15 the total income (loss) from all sources as reported on your federal return, as noted on the TC-40B.

Enter on line 16 the total additions to income shown on TC-40A, Part 1.

Enter on line 17 the total of lines 1 through 16.

Enter on lines 18 through 30 adjustments claimed on your federal return, as noted on the TC-40B.

Enter on line 31 the state tax refund included on line 10 of federal form 1040.

Enter on line 32 the total subtractions from income shown on TC-40A, Part 2.

Enter on line 33 the total of lines 18 through 32.

If you have federal adjustments written in on line 36 of federal form 1040, enter the description and amount of these adjustments on TC-40B on the line beneath line 32, and include the amount in the total on line 33.

3. Subtract line 33 from line 17 for both columns A and B and enter the result on line 34.

Note: The amount on line 34 in column B must equal the Utah taxable income shown on TC-40, line 9.

4. Divide the total on line 34 column A by the total on line 34 column B, and enter the result on line 35. Round the result to four decimal places. Do not enter a decimal greater than 1.0000, and do not enter a negative number. (If the amount in column A or column B is zero, enter 0.0000 on line 35.)
5. Enter on line 36 the net tax that results from subtracting TC-40, page 2, line 24 from TC-40, page 2, line 23.
6. Multiply the tax on line 36 by the decimal on line 35, and enter the result on line 37. This is your Utah tax.
7. Transfer your Utah tax from line 37 to page 2 of your TC-40, line 25.
8. Complete the balance of page 2 of your TC-40.

Attach form TC-40B to your Utah return. **Do not attach a copy of your federal return.** Keep a copy of form TC-40B

TC-40W - Utah Withholding Tax Schedule Instructions

Utah withholding tax credits must be claimed by completing form TC-40W and attaching it to your Utah return.

Do not send copies of your W-2s, 1099s, TC-675Rs, and Utah Schedule K-1 with your Utah return. Keep all these forms with your tax records.

Processing may be delayed or your withholding tax credits may be disallowed if you do not complete the TC-40W as explained below and submit it with your Utah return.

TC-40W, Part 1 Instructions

You must report Utah withholding tax from the following forms on the TC-40W, page 1:

- Federal form W-2, Wage and Tax Statement
- Federal form 1099 (with Utah withholding), including 1099-R, 1099-MISC, 1099-G, etc.

Do not send W-2s or 1099s with your Utah return. Keep them in your files.

Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-40W with all required information.

To claim credit for Utah withholding tax, complete TC-40W, page 1. Enter the following information from form W-2 or 1099:

- Line 1 - Enter the employer/payer federal EIN (W-2 box "b," or 1099).
- Line 2 - Enter the employer/payer Utah withholding account number (W-2 box 15, or 1099).

The Utah withholding account number is a 14-character number, the first eleven characters are numeric and the last three are "WTH." Do not enter hyphens. Example: 12345678901WTH.

If the form W-2 or 1099 does not reflect this number, contact the employer or payer to obtain the correct number to enter on TC-40W, Part 1. Failure to include this number on the TC-40W may cause your withholding to be disallowed and delay any refund.

- Line 3 - Enter the employer/payer name and address (W-2 box "c," or 1099).
- Line 4 - Enter an "X" if the income and withholding tax are from a form 1099.
- Line 5 - Enter the social security number (shown on the W-2 box "a," or 1099).
- Line 6 - Enter your Utah wages or income being reported (or your spouse's, if filing jointly) (W-2 box 16, or 1099).
- Line 7 - Enter your Utah withholding tax (or your spouse's, if filing jointly) (W-2 box 17, or 1099).

Note: If there is no Utah employer identification number on a form W-2 box 15, 1099-R box 13, 1099-MISC box 17, or any other 1099 form, your refund may be reduced or the tax due increased. Contact the employer or payer of the income to get the Utah ID number.

Add the amounts of Utah withholding tax from all lines 7 and enter the total at the bottom of TC-40W, page 1 and on form TC-40, page 2, line 33.

W-2 Example

22222		a Employee's social security number 567-89-0123		OMB No. 1545-0008	
b Employer identification number (EIN) 87-1234567		1 Wages, tips, other compensation 32,519.85		2	
c Employer's name, address, and ZIP code ABC ENTERPRISES INC 9876 MAIN ST SALT LAKE CITY UT 84101		3 Social security wages 32,519.85		4	
		5 Medicare wages and tips 32,519.85		6	
		7 Social security tips		8	
d Control number		9 Advance EIC payment		10	
e Employee's first name and initial WILLIAM J SMITH 456 TIMBER DR MURRAY UT 84150		11 Nonqualified plans		12a	
		13 Statutory employee ☐		12b	
		Retirement plan ☐		12c	
		Third-party sick pay ☐		12d	
f Employee's address and ZIP code		14 Other			
15 State UT	Employer's state I.D. no. 12345678002WTH	16 State wages, tips, etc. 32,519.85	17 State income tax 767.99	18 Locality name	19 Local wages

Form **W-2** Wage and Tax Statement **2013**

TC-40W Example

40309		Part 1 - Utah Withholding Tax Schedule	
Your last name SMITH			
Line explanations:		IMPORTANT	
1 Employer/payer ID number (from W-2 box "b" or 1099)		Do not send your W-2s and 1099s with your Utah return.	
2 Utah withholding ID number (from W-2 box "15" or 1099)		Use additional TC-40W forms if you have Enter mineral production withholding from of TC-40W.	
(14 characters, ending in WTH, no hyphens)			
3 Employer/payer name and address (from W-2 box "c" or 1099)			
4 Enter "X" if reporting Utah withholding from form 1099			
5 Employee's SSN (from W-2 box "a" or 1099)			
6 Utah wages/income (from W-2 box "16" or 1099)			
7 Utah withholding tax (from W-2 box "17" or 1099)			
First W-2 or 1099		Second W-2 or 1099	
1.	87-1234567	1.	
2.	12345678002WTH	2.	
3.	ABC ENTERPRISES INC 9876 MAIN ST SALT LAKE CITY UT 84101	3.	
4.		4.	
5.	567-89-0123	5.	
6.	32,520.00	6.	
7.	768.00	7.	

TC-40W, Part 2 Instructions

To claim credit for Utah mineral production withholding tax, enter the following information. If from form TC-675R, enter lines 1, 2, 3 and 5; if from Utah Schedule K-1, enter lines 4 and 5.

- Line 1 - Enter the mineral producer's federal EIN (TC-675R box 2).
- Line 2 - Enter the mineral producer's name (TC-675R box 1).
- Line 3 - Enter the mineral producer's Utah withholding account number (TC-675R box 3).

The Utah mineral withholding account number is a 14-character number, the first eleven characters are numeric and the last three are "WMP." Do not enter hyphens. Example: 12345678901WMP.

If the form TC-675R does not reflect this number, contact the payer to obtain the correct number to enter on TC-40W, Part 2. Failure to include this number from a TC-675R on the TC-40W may cause your withholding to be disallowed and delay any refund.

- Line 4 - If the mineral withholding tax distribution was received from a pass-through entity (partnership, LLC, LLP or S corporation), enter the pass-through entity's federal EIN. If you receive a TC-675R directly from the mineral producer, leave this line blank.
- Line 5 - Enter your mineral production withholding tax (TC-675R box 5) or your share of mineral production withholding tax reported on Utah Schedule K-1 by a pass-through entity.

Add the amounts of mineral production withholding tax from all lines 5 and enter the total on form TC-40, page 2, line 36.

Do not send the TC-675R(s) with your Utah return. Keep them in your files.

Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-40W with all required information.

TC-40W, Part 3 Instructions

To claim credit for Utah withholding tax paid on your behalf by a pass-through entity (partnership, LLP, LLC or S corporation), enter the following information from the Utah Schedule K-1 on TC-40W, Part 3:

- Line 1 - Enter the pass-through entity's federal EIN.
- Line 2 - Enter the pass-through entity's name.
- Line 3 - Enter the Utah withholding tax withheld or paid on your behalf by the pass-through entity.

Add the amounts of pass-through entity Utah withholding tax from all lines 3 and enter the total on form TC-40, page 2, line 35.

Do not send the Utah Schedule(s) K-1 with your Utah return. Keep them in your files.

Processing may be delayed or the withholding tax credit disallowed if you do not complete the TC-40W with all required information.

TC-675R Example

Statement of Utah Tax Withheld on Mineral Production			TC-675R Rev. 7/12
1. Producer's name, address, city, state and ZIP code ABC MINING COMPANY PO BOX 4941 PRICE UT 84501			For tax year: 20 1 3
2. Producer's federal EIN 84-1909732	3. Producer's Utah account number 12345678002WMP	4. Recipient's federal EIN (or SSN if an individual) 545-18-6791	
5. Utah mineral production gross payment to recipient 24,615.18	6. Utah tax withheld on mineral production 1,230.76	7. Utah mineral production gross payment not subject to withholding .00	
8. Recipient's name, address, city, state, ZIP code		9. Recipient entity type (check one) ☐ C - Corporation ☐ L - Limited Liability Company ☐ S - S Corporation ☐ O - Limited Liability Partnership ☐ I - Individual ☐ T - Trust, Estate or Fiduciary ☐ P - Partnership	

Mineral Production and Pass-through Withholding Tax		TC-40W Rev. 12/13
40310	Your last name WINTER	Your social security number 545-18-6791
Part 2 - Utah Mineral Production Withholding Tax - TC-675R		
Do not send TC-675Rs or Schedules K-1 with return. Enter TC-675R or Schedule K-1 information below. Use additional TC-40Ws if needed.		
Line explanations:		
1 Producer's EIN from box "2" of TC-675R		
2 Producer's name from box "1" of TC-675R		
3 Producer's Utah withholding ID # from box "3" of TC-675R (14-characters, ending in WMP no hyphens)		
First TC-675R or Schedule K-1		
1	84-1909732	
2	ABC MINING COMPANY	
3	12345678002WMP	<14 characters, no hyphens
4	545-18-6791	
5	1,231.00	
Second TC-675R or Schedule K-1		
1		
2		
3		<14 characters, no hyphens
4		
5		.00

Individual Income Tax Return Payment Coupon

TC-547

Rev. 12/11

USE OF PAYMENT COUPON

If you have a tax due balance on your Utah individual income tax return and you have previously filed your return (either electronically or by paper) without a payment, include the payment coupon below with your check or money order to insure proper credit to your account. Do not mail another copy of your income tax return with this payment. Sending a duplicate of your return may delay posting of the payment.

If you are sending a payment with your paper Utah individual income tax return, include the payment coupon below with your check or money order, to insure proper credit to your account.

Do not use this return payment coupon to prepay future individual income taxes. Use form TC-546.

ELECTRONIC PAYMENT

You may pay your tax online at taxexpress.utah.gov.

HOW TO PREPARE THE PAYMENT

Make your check or money order payable to the Utah State Tax Commission. Do not send cash. The Tax Commission does not assume liability for loss of cash placed in the mail.

Print your name and address, daytime telephone number and the year the payment is for on your check or money order.

SENDING PAYMENT COUPON

If sending this payment coupon separate from your individual income tax return, do **NOT** mail another copy of your return with this payment.

Complete and detach the payment coupon below.

Do not attach (staple, paper clip, etc.) the check or money order to the payment coupon.

Send the payment coupon and payment to:

**Utah State Tax Commission
210 N 1950 W
Salt Lake City, UT 84134-0266**

SEPARATE AND RETURN ONLY THE BOTTOM COUPON WITH PAYMENT. KEEP TOP PORTION FOR YOUR RECORDS.

Individual Income Tax Return Payment Coupon

Mail to: Utah State Tax Commission, 210 N 1950 W, SLC UT 84134-0266

TC-547
Rev. 12/11

Tax year ending

USTC Use Only

Primary taxpayer name		Social Security no.	
Secondary taxpayer name		Social Security no.	
Address			
City	State	Zip code	

Payment amount enclosed \$ 00

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

11004

2013 Line 14 Worksheet

Complete the following worksheet if your federal adjusted gross income on TC-40, line 4 is MORE than:

- \$300,000 if married filing jointly or qualifying widower,
- \$275,000 if head of household,
- \$250,000 if single, or
- \$150,000 if married filing separately.

Line 14 Worksheet

1. Add lines 4, 9, 15, 19, 20, 27, and 28 on federal Schedule A. \$_____
2. Add lines 4, 14 and 20, plus any gambling and casualty or theft losses included on line 28 of federal Schedule A. \$_____

→ *If the amount on line 2 is greater than the amount on line 1, you do not need to complete this worksheet. Enter on TC-40, line 14 the state income tax from federal Schedule A, line 5.*

→ *If the amount on line 1 is greater than the amount on line 2, complete the rest of this worksheet.*

3. Subtract line 2 from line 1. \$_____
4. Enter the amount from line 29 on Schedule A. \$_____
5. Subtract line 4 from line 1. \$_____
6. Subtract line 5 from line 3. \$_____
7. Divide line 6 by line 3 (decimal). _____
8. Multiply the amount on federal form 1040 Schedule A, line 5 by the decimal on line 7. Enter the amount here and on TC-40, line 14. \$_____