

Recycling Market Development Zones Tax Credit

A taxpayer may not claim this credit or carry it forward into a year the taxpayer has claimed the targeted business income tax credit or the enterprise zone tax credit.

The Governor's Office of Economic Development must sign and certify if you are seeking credit for machinery or equipment. See the reverse side of this form for detailed instructions.

Do not send this form with your return. Keep this form and all related documents with your records. You must complete a new Part E each year you claim a carryforward credit.

PART A - Taxpayer Information

Name of taxpayer claiming credit	Taxpayer's identification number (SSN or EIN)
Address	Telephone number
City, state, zip code	

PART B - Qualified Purchases

List machinery and equipment purchased	Date purchased	Purchase price
		\$
		\$
		\$
Total Purchases - Add all purchases in PART B		
Total Credit Allowed - Multiply total purchases by 5% (.05)		

PART C - Qualified Expenditures

List rent, wages paid, supplies, tools, test inventory, and utilities purchased	Date paid	Amounts paid during tax year	List rent, wages paid, supplies, tools, test inventory, and utilities purchased	Date paid	Amounts paid during tax year
		\$			\$
		\$			\$
		\$			\$
Total Paid - Add all amounts paid in PART C					
Total Credit Allowed - Multiply total paid by 20% (.20)					
Do not enter more than \$2,000 (see instructions)					

PART D - GOED Certification

To be signed by an authorized agent of the Governor's Office of Economic Development.

I certify that: 1) the taxpayer named in PART A of this form and the named company is located within the boundaries of a recycling zone, 2) the machinery and equipment listed in PART B are integral to the company's composting or recycling process, and 3) payments listed in PART C support the company's establishment or operation of recycling or composting technology in Utah.

Authorized signature by GOED	Title	Date signed
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PART E - Credit Calculation

1. Add total credits allowed from PART B and PART C. Enter sum on this line	1	\$
2. Multiply your Utah tax by 40% (.40). Non or part-year residents receive an apportioned credit	2	
3. Enter the smaller of the amounts on line 1 or line 2. This is your tax credit	3	\$

IMPORTANT: See the instructions for your INDIVIDUAL TAX (TC-40), CORPORATE TAX (TC-20 or TC-20S), PARTNERSHIP TAX (TC-65) or FIDUCIARY TAX (TC-41) return to determine the amount of Utah tax and the line number on which to record this credit. **The credit code is "10" for all returns.**

PART F - Credit Carryover

Any unused amount of the total credit allowed under PART E, line 3, attributable to purchases of qualified machinery and equipment under PART B, may be carried forward three years.

Applied to tax year:

1. Amount of tax credit carried forward - first year.....	1	\$			
2. Amount of tax credit carried forward - second year.....	2				
3. Amount of tax credit carried forward - third year	3				

A taxpayer may not claim this credit or carry it forward into a year that the taxpayer has claimed the targeted business tax credit or the enterprise zone credit.

Utah Code §59-7-610 and §59-10-1007 allows a nonrefundable tax credit against individual income tax, corporate franchise or income tax, or fiduciary tax if operating in a recycling market development zone, as defined in Utah Code Section 63N-2-402. The credit is equal to : (a) 5% of the purchase price paid during the taxable year for machinery and equipment used directly in commercial composting, or manufacturing facilities or plant units that manufacture recycled items or reduce or reuse post-consumer waste material; and (b) 20% of the net expenditures paid to third parties for rent, wages, supplies, tools, test inventory, and utilities made by the taxpayer for establishing and operating recycling or composting technology in Utah, up to a maximum credit of \$2,000.

PART A - TAXPAYER INFORMATION

Enter name and address information of taxpayer.

PART B - QUALIFIED PURCHASES

List any machinery or equipment purchased and used directly in commercial composting or in manufacturing facilities or plant units that manufacture, process, compound or produce recycled items for sale or reduce or reuse post consumer waste material, and enter the purchase price. Add all purchases and multiply the total purchases by 5% (.05). This is the credit for machinery and equipment.

PART C - QUALIFIED EXPENDITURES

List expenditures for rent, wages, supplies, tools, test inventory and utilities, and the amount of the expenditure in the appropriate column. Total all expenditures listed in PART C and multiply the total by 20% (.20). If the amount is greater than \$2,000, only enter \$2,000.

PART D - GOED CERTIFICATION

You may not claim this tax credit unless an authorized agent of the Governor's Office of Economic Development has signed this form.

PART E - CREDIT CALCULATION

Add together the "**Total credit allowed**" from PARTS B and C. Multiply the amount of your Utah income tax by 40% (.40). Non or part-year residents must use the apportioned Utah tax. Your Recycling Market Development Zone Tax Credit is the smaller of line 1 or line 2.

A pass-through entity must pass through the credit to its pass-through entity taxpayers. Give a copy of this form to each pass-through entity taxpayer with that pass-through entity taxpayer's share of the credit entered on Part E, line 1. The pass-through entity taxpayer will then calculate the credit they are eligible to take by completing lines 2 and 3 using their return information.

PART F - CREDIT CARRYOVER

Taxpayers may carry forward for three years any of the unused total credit allowed in PART E, line 3, that is attributable to purchases of qualified machinery and equipment under PART B. Indicate the amounts you are carrying forward, along with the appropriate years, on lines 1 through 3 of PART F.

Carryforward recycling market development zone credits are applied against Utah individual income tax, corporate franchise or income tax or fiduciary tax due before the application of any recycling market development zone tax credits earned in the current year and on a first-earned, first-used basis.

Do not send this form with your return. Keep this form and all related documents with your records. You must complete a new form each year you claim a carryforward credit.

To approve this credit, contact the Governor's Office of Economic Development, 324 S State St, Suite 500, Salt Lake City, Utah 84111, telephone number 801-538-8804. For more information, go to http://goed.utah.gov/relocate/incentives/incentives-recycling_zones.

For more information, contact the Utah State Tax Commission at 801-297-2200 or toll free 1-800-662-4335, if outside the Salt Lake area. The address is 210 N 1950 W, Salt Lake City, Utah 84134.