

## **Removal of Credits and Contributions from Tax Returns**

Sections 59-7-903 and 59-10-1002.1 require the Tax Commission to remove a nonrefundable tax credit from the corporate or individual tax return if, for three consecutive taxable years: (1) the total amount of the tax credit claimed or carried forward is less than \$10,000 per taxable year; and (2) less than 10 persons per year file a return claiming or carrying forward the tax credit. The tax credit is removed from the return two taxable years after the January 1 immediately following the date the Tax Commission determines that the above criteria have been satisfied.

The Tax Commission is required to annually report to the Revenue and Taxation Interim Committee when a nonrefundable tax credit meets the criteria for removal from the corporate or individual income tax returns.

The individual nonrefundable tax credit for qualifying solar projects (Section 59-10-1024) meets the criteria for removal and will be removed from the 2024 income tax return. Under Section 59-10-552 the 4 year carry-forward of this credit will be allowed on income tax returns through tax year 2027.

The individual nonrefundable alternative energy development tax credit (Section 59-10-1029) meets the criteria for removal and will be removed from the 2024 income tax return. Under Section 59-10-552 the 7 year carry-forward of this credit will be allowed on income tax returns through tax year 2030.

The corporate nonrefundable high cost infrastructure development tax credit (Section 59-7-619) meets the criteria for removal and will be removed from the 2024 corporate tax return. Under Section 59-7-538 the 7 year carry-forward of this credit will be allowed on corporate tax returns through tax year 2030.

The corporate nonrefundable alternative energy development tax credit (Section 59-7-614.7) meets the criteria for removal and will be removed from the 2024 corporate tax return. Under Section 59-7-538 the 7 year carry-forward of this credit will be allowed on corporate tax returns through tax year 2030.

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

No contribution meets the criteria for removal as of the filing of returns for the 2021 taxable year.