

Utah State Tax Commission

Tax and Revenue Functional Area



Utah State Tax Commission

- Monthly webinars of various tax topics.
- Ability to access the recording and presentation after the event.
- Free to all attendees.



Utah State Tax Commission Monthly Webinars

tax.utah.gov/training/webinars

Tax Webinars

Each month, the Tax Commission holds live public webinars on various tax topics, with access to the recording after the event. The links will appear below as they're available.

All webinars are held on the third Thursday of each month and begin at **10:00 a.m.**

Date	Topic	Link
January 19, 2023	What's new this filing season for income tax	Live Stream
February 16, 2023	Sales Tax licensing requirements and application process	
March 16, 2023	Who needs to file a Utah Income Tax return?	
April 20, 2023	Sales Tax rates and how to remit taxes	
May 18, 2023	Income Tax residency, domicile and special instructions	
June 15, 2023	Basics of what is taxable and what is exempt from Sales Tax	

- Tax Instruction & Training
- Tax Workshops +
- Tax Webinars**
- Free Online Training
- Are You New to TAP?
- TAP FAQs +
- TAP Help for Sales Taxes
- TAP Help for Withholding, Quick Start Guide
- TAP Help for Garnishments
- SALT Report & Tax FAQ

2022 Individual Income Tax Updates

Utah State Tax Commission





Topics

- General Information
- Legislative Updates
- Other Information



General Information



Utah Personal Exemption

2022 Utah Personal Exemption increased to **\$1,802** for each qualifying dependent. Increased from \$1,750 in 2021.
(TC-40 - line 11)

Qualifying Dependents:

- Dependents 16 and under
- Other dependents who qualify for the child tax credit
- Dependents must be claimed on federal return



Federal Standard Deduction

- 2022 Federal Standard Deduction (TC-40 - line 12)

Single or Married Filing Separate:
\$12,950

Head of Household:
\$19,400

Married Filing Jointly or Qualifying Surviving Spouse:
\$25,900



Taxpayer Tax Credit

Base Phase out Amounts

The Taxpayer Tax Credit is 'phased out' or **limited by 1.3%** of any income over a certain amount based on the filing status of the return. (line 17)

2021

2022

\$15,095	→	\$15,548	Single or Married Filing Separately
\$22,643	→	\$23,322	Head of Household
\$30,190	→	\$31,096	Married Filing Jointly or Qualifying Surviving Spouse

See §59-10-1018(4)-(5)

Solar Energy Systems Credit Phase-out

- The maximum Renewable Residential Energy Systems Credit (credit 21) for solar power systems installed in **2022** is \$800.
- The maximum Renewable Residential Energy Systems Credit (credit 21) for solar power systems installed in **2023** is \$400.
- There will be no credit available for installations after December 31, 2023.

Utah Office of Energy Development
60 E South Temple Suite 300
Salt Lake City, UT 84111
801-538-8732
energy@utah.gov





2022 Legislative Updates

Individual Income Tax



HB 444

Taxes Paid By A Pass Through Entity (PTE)

Effective: Tax year beginning on or after January 1, 2022, but on or before December 31, 2025.

- Authorizes a pass-through entity to irrevocably elect for a taxable year to pay tax on behalf of an individual pass-through entity taxpayer on “voluntary taxable income”.
- Defines “voluntary taxable income” as all pass-through entity income attributable to a Utah resident individual and all Utah-source pass-through entity income attributable to a nonresident individual.



HB 444

Taxes Paid By A Pass Through Entity (PTE)

- Requires a pass-through entity to electronically file a Utah Schedule K-1 with the Tax Commission for each pass-through entity taxpayer on or before the due date of the pass-through entity's Utah income tax return.
- Creates an addition to income (**code 67- Tax paid on behalf of pass through entity taxpayer**) that requires the individual pass-through entity taxpayer to add any amount of state tax paid on their behalf by the pass-through entity.



HB 444

Taxes Paid By A Pass Through Entity (PTE)

- Authorizes the individual to claim a nonrefundable individual income tax credit (**code AP- Pass-through Entity Taxpayer Income Tax Credit**) equal to the amount of the tax paid to Utah by the pass-through entity on the individual's behalf.
- Authorizes a five-year carry-forward for any amount of this credit that exceeds the taxpayer's Utah tax liability.

HB 444

Taxes Paid By A Pass Through Entity (PTE)

To see answers to common HB 444 questions, please see the SALT Report & Tax FAQ page of the Tax Commission's website at:

tax.utah.gov/training/salt-faq

UTAH STATE TAX COMMISSION

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SALT Report & Tax FAQ

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- Are You New to TAP?
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- TAP Help for Garnishments
- SALT Report & Tax FAQ

FAQs – 2022 House Bill 444 – Federal State and Local Tax Deduction Workaround

- [Terms used in this Guidance](#)
- What is HB 444?
- Which entity types entities can elect to be treated as an electing PTE?
- If a PTE makes this election, which members, partners, shareholders, or beneficiaries does it apply to?
- How does the PTE make this election?
- If a PTE makes the election, what type of income does the election apply to?
- How do I fill out the SALT Report?
- When is the SALT tax due and what are the penalties for late payment?
- What are the requirements for the PTE to notify a Final PTET that an election has been made?
- How is the SALT tax calculated?
- Is a PTE required to make quarterly prepayments or separate payments for each member?
- Once the election has been made for a taxable year, is the election revocable?
- What happens if the PTE underestimates the Utah taxes?
- What happens to the SALT tax paid if it is paid on behalf of a Final PTET who doesn't owe Utah tax for the taxable year?
- Is the nonrefundable tax credit limited to only the income received from the PTE?



HB 456

Digital User Asset Payment

- Allows taxpayers filing their return through TAP to pay Utah individual income taxes using digital currency.
- Taxpayers will be credited the value of the digital currency as of the date of the payment less a service fee charged by a third party service processor.
- PayPal is currently the only service processor.
 - Bitcoin
 - Bitcoin Cash
 - Ethereum
 - Litecoin



SB 39

Mobile Workforce Income Tax Amendments

Effective: Taxable year beginning on or after January 1, 2023

- Excludes a non-resident individual's wages from being considered Utah source income if for the taxable year:
 - The nonresident individual has no other Utah source income.
 - The nonresident individual is present in Utah to perform employment duties for 20 or fewer days.
 - The nonresident individual's state of residence does not impose an individual income tax or provides Utah residents a substantially similar exclusion.

SB 39

Mobile Workforce Income Tax Amendments

- Provides that this exclusion does not apply to:
 - A professional athlete,
 - Professional entertainer or performer,
 - A person of prominence who performs services on a per event basis,
 - A real property construction service provider,
 - A key employee under IRC Section 416(i), and an employee of a non-corporate employer who would be defined as a key employee under IRC 416(i) if the term “employee” were substituted for “officer” and the individual is one of the employer’s 50 highest paid employees.

SB 48

Income Tax Modifications

- Clarifies that when a nonrefundable corporate or individual income tax credit expires or is repealed, a taxpayer may still exhaust any qualified carry-forward of the credit.
- Modifies the phrase that must be printed in the individual income tax return and instruction booklet from “all state income tax dollars fund education” to “all state income tax dollars support education, children, and individuals with disabilities”.
- **Effective for a taxable year beginning on or after January 1, 2021,** specifies that for a Utah income tax return filed jointly, if the nonrefundable retirement tax credit is claimed on the return neither the nonrefundable tax credit for social security benefits or the nonrefundable tax credit for military retirement can be claimed on the same joint filed return.

SB 59

State Income Tax Rate Reduction

Effective: Taxable year beginning on or after January 1, 2022

- Decreases the individual, corporate franchise and income tax rate from 4.95% to **4.85%**.
- Expands the qualification for the social security benefits tax credit by increasing the income based phase-out thresholds for each filing status.
 - Married filing separate: from \$25,000 to **\$31,000**
 - Single: from \$30,000 to **\$37,000**
 - Head of household, married filing joint and qualifying surviving spouse: from \$50,000 to **\$62,000**
- Enacts an nonrefundable state earned income tax credit (EITC) **equal to 15% of the federal EITC** that the claimant is entitled to claim for the current taxable year.

SB 62

Special Needs Opportunity Scholarship Program

Effective: Taxable year beginning on or after January 1, 2022

- Modifies the carry-over provisions of the individual and corporate tax credits for donation to a special needs opportunity scholarship program to authorize a one year carry-back in addition to the existing three year carry-forward.

For more information contact:


Children First Education Fund

385-204-5331

info@childrenfirsteducationfund.org

childrenfirsteducationfund.org





Notable 2021 Legislative Updates

Individual Income Tax



2021 HB 86

Social Security Tax Amendments

The 2021 Utah Legislature passed HB 86, creating a nonrefundable tax credit for taxable Social Security income.

A taxpayer, spouse (if filing jointly), or a dependent that received taxable Social Security retirement, disability, or survivor benefits may qualify for this credit.

- An individual cannot claim this credit if they claim the Retirement Credit. (code 18)
 - 2022 SB 48 effective 01/01/2021 specifies that for a Utah income tax return filed jointly, if the nonrefundable Retirement Credit is claimed on the return neither the nonrefundable tax credit for social security benefits nor the nonrefundable tax credit for military retirement can be claimed on the same joint filed return.



2021 HB 86

Social Security Tax Amendments continued

This tax credit is phased out by \$0.25 for each dollar over modified adjusted gross income.

The phase out begins for modified adjusted gross income amounts over:

- \$25,000 for married filing separately (**\$31,000 for 2022**)
- \$30,000 for single (**\$37,000 for 2022**)
- \$50,000 for married filing jointly (**\$62,000 for 2022**)

2021 HB 86

Social Security Tax Amendments

continued

- Complete the Social Security Credit Worksheet to see the amount of tax credit.
- Worksheet is located in the TC-40 Instructions.
- Use credit code (AH) when claiming the Social Security Tax credit.
- No carry forward or back of this credit that exceeds liability.

2021 HB 86

Social Security Tax Amendments

Social Security Credit Worksheet

1. For yourself (and/or your spouse), enter the amount from federal return 1040 or 1040-SR, line 6b; or 1040NR, Schedule NEC, line 8. 1 _____
2. If either or both spouses claims the Retirement Credit (code 18), enter their amount of Social Security benefit included on line 1, if any 2 _____
3. Line 1 minus line 2 3 _____
4. Enter the amount from TC-40, line 6 (Total income) 4 _____
5. Enter municipal bond interest from TC-40, Schedule A, Part 1, code 57 5 _____
6. Line 4 minus line 5 6 _____
7. Enter tax exempt interest from federal form 1040 or 1040-SR, line 2a 7 _____
8. **Modified Adjusted Gross Income**
Add lines 6 and 7 8 _____
9. Multiply line 3 by 0.0495 9 _____
10. Enter: 10 _____
 - a. **Married filing separately:** \$25,000
 - b. **Married filing federal return 1040NR:** \$25,000
 - c. **Married filing joint:** \$50,000
 - d. **Single:** \$30,000
 - e. **Qualified widow(ex) or head of household:** \$50,000
11. Line 8 minus line 10 (not less than zero) 11 _____
12. Multiply line 11 by 0.025 12 _____
13. **Social Security Benefits Credit**
Line 9 minus line 12 (not less than zero) 13 _____

If claiming this credit, enter the total amount on TC-40A, Part 3, using code AH.

Military Retirement Income Tax Amendments

This credit enacts a nonrefundable individual income tax credit equal to 4.95% **(4.85% for 2022)** of the military retirement pay included in a filer's federal adjusted gross income.

- Prohibits this credit from being claimed in the same year that the filer or spouse (if filing jointly) claims the Retirement Credit.
- A taxpayer, spouse (if filing jointly) or a dependent who received taxable military retirement or survivor benefits may qualify for this credit.
- Military retirement pay means:
 - Retirement pay, including survivor benefits, related to service in the armed forces, including the Reserves and National Guard.

2021 SB 11

Military Retirement Income Tax Amendments continued

- It does not include Social Security income, 401(k) or IRA distributions, or other sources of income.
- This credit is only for military retirement income included in federal adjusted gross income.
- Complete the *Military Retirement Credit Worksheet* located in the TC-40 instructions.
- No carry forward or back of credit that exceeds tax liability.
- Use code AJ to claim this credit.

Military Retirement Income Tax Amendments continued

Military Retirement Credit Worksheet

Complete one worksheet for each person taking this credit.

1. Enter the amount of taxable military retirement pay or survivor benefits on DFAS 1099-R 1 _____
2. **Military Retirement Credit** 2 _____
Multiply line 1 by 0.0495

If claiming this credit, add the amount on line 2 of all worksheets and enter the total amount on TC-40A, Part 3, using code AJ.

How Can I Be Informed of Recent Tax Law Updates?



What's New – Utah Income Taxes

tax.utah.gov

The screenshot shows the homepage of the Utah State Tax Commission website. The header includes the Utah.gov logo, the Utah State Tax Commission seal, and navigation links: HOME, FORMS & PUBLICATIONS, CONTACT US, SITE INDEX, and TAP. A search bar is located on the right. The main content area features the Utah State Tax Commission seal and the text 'UTAH STATE TAX COMMISSION OFFICIAL TAX INFORMATION FOR UTAH'. Below this is a search bar with the placeholder text 'WHAT ARE YOU LOOKING FOR TODAY?'. A green circle highlights the 'Recent Changes and Information' section, which contains two links: [Individual Income Taxes](#) and [FAQs and New Information](#). To the right of this section is the 'TAP Taxpayer Access Point' section, which includes the text 'Utah's Tax Portal' and the link [File, pay & manage your Utah taxes online.](#). Below these sections are several buttons for different tax topics: INDIVIDUAL INCOME TAXES, BUSINESS & CORPORATE TAXES, SALES & USE TAXES, WITHHOLDING TAXES, JOB OPENINGS – APPLY NOW!, TRAINING, WORKSHOPS & WEBINARS, TAX PROFESSIONALS, and PUBLIC NOTICES & RECENT INFO. A 'Give Feedback' button is visible on the right side of the page.

utah.gov | UTAH STATE TAX COMMISSION

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UTAH STATE TAX COMMISSION SEAL

UTAH STATE TAX COMMISSION
OFFICIAL TAX INFORMATION FOR UTAH

WHAT ARE YOU LOOKING FOR TODAY?

Recent Changes and Information

- [Individual Income Taxes](#)
- [FAQs and New Information](#)

INDIVIDUAL INCOME TAXES

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[File, pay & manage your Utah taxes online.](#)

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Give Feedback

What's New – Utah Income Taxes

tax.utah.gov

The screenshot shows the Utah Income Taxes website. The header includes the Utah.gov logo, the text 'UTAH INCOME TAXES', and a 'Tax Commission' link. A navigation bar contains links for HOME, INSTRUCTIONS, FILE & PAY, TOPICS, REFUNDS, FORMS, CONTACT, and INDEX. The main content area is titled 'What's New & Recent Information' and features a list of updates under 'What's New' and a section for 'Recent Information'.

Also see: [Recent Info and Tax Law Changes](#) which details recent changes in tax laws, including federal laws that affect Utah taxes.

What's New

- **Solar energy systems phase-out:** The maximum [Renewable Residential Energy Systems Credit](#) (credit 21) for solar power systems installed in 2022 is \$800.
- **Payroll Protection Program (PPP) grant or loan addback:** In certain situations you must [add to your income](#) the amount of PPP grants or loans forgiven in 2022.
- **Utah tax rate:** The 2022 Utah Legislature passed SB 59, lowering the [state individual income tax rate](#) from 4.95 percent to 4.85 percent.
- **Earned income tax credit:** The 2022 Utah Legislature passed SB 59, creating the [Utah Earned Income Tax Credit](#).
- **Tax paid on behalf of a pass-through entity taxpayer:** The 2022 Utah legislature passed HB 444, allowing a pass-through entity to pay tax on behalf of a pass-through entity taxpayer. This bill created an [addition to income](#) and a [nonrefundable tax credit](#).

Recent Information

[Can a Utah resident individual claim a nonrefundable credit for taxes paid to another state if those taxes are paid through a pass through entity on behalf of the individual?](#)

Yes, a Utah resident individual may claim a credit for taxes paid to another state by a pass-through entity if:

1. the taxes are imposed on income derived from sources within that other state;
2. the pass-through entity paid the tax to the other state on behalf of the resident individual for income that was calculated on the distributable share of the resident individual; and
3. any amount of income or taxes paid to another state on the income that is not included in the resident individual's federal adjusted gross income, is

What's New – Utah Income Taxes

tax.utah.gov



The screenshot displays the Utah State Tax Commission website. The header includes the Utah.gov logo, the UTAH STATE TAX COMMISSION name, and navigation links for HOME, FORMS & PUBLICATIONS, CONTACT US, SITE INDEX, and TAP. A search icon and 'Tax Commission' text are also present. The main content area features a purple banner with the text 'Recent Info and Tax Law Changes'. Below this, a dark sidebar lists navigation options: General Information, Recent Info and Tax Law Changes (highlighted), Tax Audits, Tax Bulletins, Tax Notices, and Technical Support. The main content area contains a printer icon, a paragraph about recent tax law changes, and a bulleted list of topics.

UTAH STATE TAX COMMISSION

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Recent Info and Tax Law Changes

General Information

Recent Info and Tax Law Changes

Tax Audits

Tax Bulletins

Tax Notices

Technical Support

The following topics discuss recent information and changes in tax laws, including federal laws that affect Utah taxes.

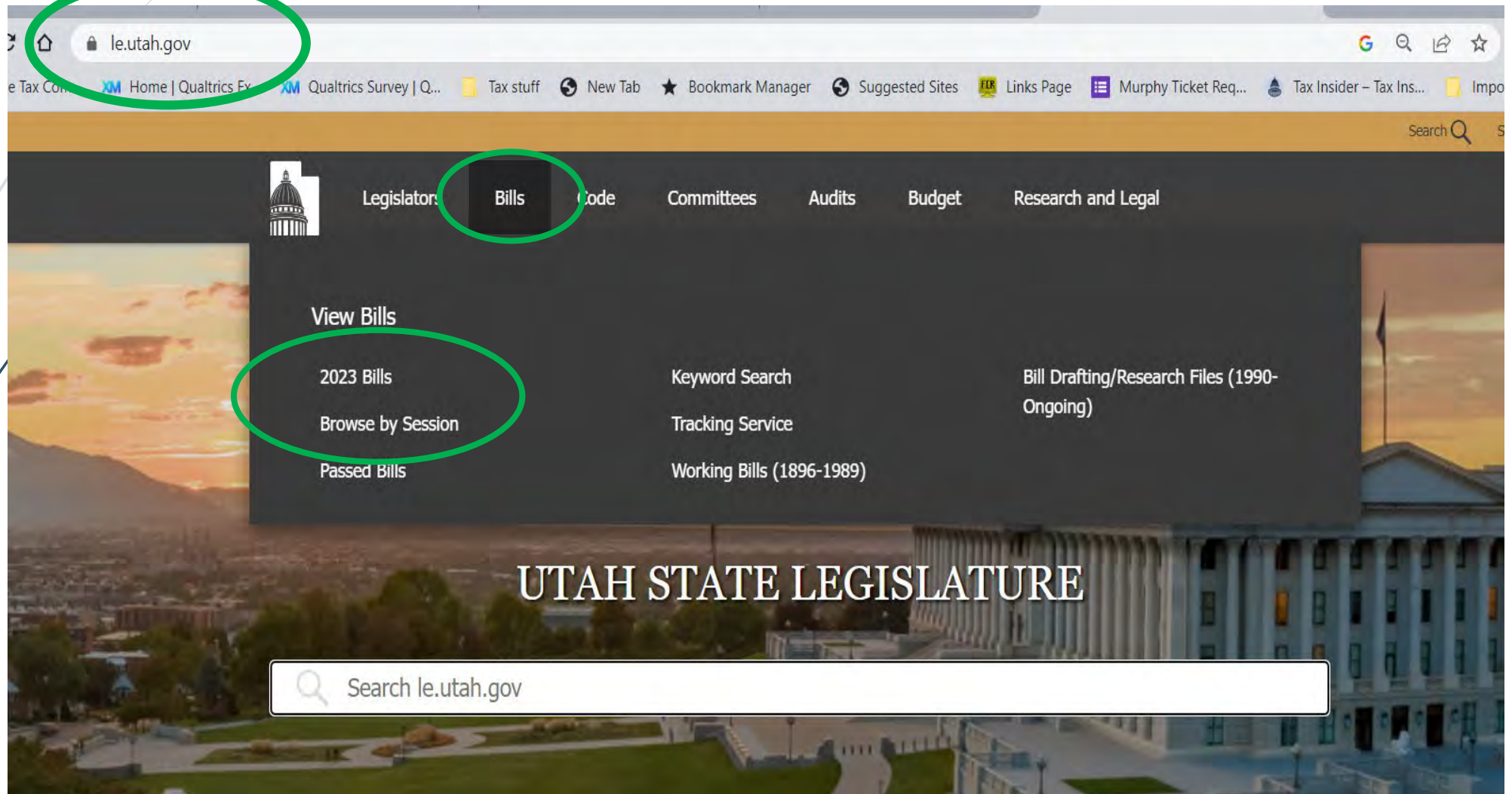
- [SALT Report and Tax FAQ – 2022 House Bill 444 – Federal State and Local Tax Deduction Workaround](#)
- [Changes Regarding Paycheck Protection Program \(PPP\) Loans](#)
- [Tax Status of Forgiven PPP Loans for Non-Profit Entities](#)
- [Tax Status of Forgiven Federal Loans Unrelated to PPP Used to Pay for Deductible Expenses](#)
- [Tax Status of Forgiven Payments, Interest, & Fees from PPP Loans Used to Pay for Deductible Expenses](#)
- [Tax Status of Loans Paid For with Government Grants](#)
- [Tax Status of Loans Used to Pay for Deductible Expenses](#)
- [Tax Status of Forgiven PPP Loans Used to Pay for Deductible Expenses](#)
- [Impact of the Federal Partnership Audit Regime on Utah income tax](#)
- [Tax Status of the Shuttered Venue Operator Grant \(SVOG\) program](#)
- [Tax Status of the Restaurant Revitalization Grant program](#)
- [Tax Credit for Taxes Paid to Another State Through a Pass-through Entity](#)

Give Feedback

Where can I find upcoming and recently passed legislation?



Legislative Information



Legislative Information



UTAH STATE
LEGISLATURE

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Legislation

Legislation by Subject

2022 General Session Passed Legislation - by Subject

Bills being tracked: 0

Income Tax

Link	Short Title	Sponsor
HB0025S04	Utah Rural Jobs Act Amendments	Abbott, N.
HB0035S03	Economic Development Modifications	Handy, S.
HB0268S02	Sales and Income Tax Amendments	Brammer, B.
HB0444S01	Income Tax Revisions	Spendlove, R.
SB0039	Mobile Workforce Income Tax Amendments	Bramble, C.
SB0048S01	Income Tax Modifications	McCay, D.
SB0049S02	State Film Production Incentives Amendments	Winterton, R.
SB0059S04	Tax Amendments	McCay, D.
SB0062S04	Special Needs Opportunity Scholarship Program Amendments	Fillmore, L.
SB0076	Targeted Business Income Tax Credit Amendments	McCay, D.

Bill Search Page

Bills being tracked: 0



Other Information

- Interest
- Tips for Preparers
- Refund Tips
- Tax Commission Resources



Interest

- Interest rate will change to 5% for 2023
 - Increases from 2% for 2022
 - *Rate determined by adding two percentage points to Federal rate and in accordance with Utah Code 59-1-402.*
- Calculated from the date payment was due until payment is received.
- Applies to overpayments, refunds, underpayments and delinquencies.



Returns Filed Using an ITIN

Filing returns with ITIN:

- Returns can be filed with an ITIN on the TC-40 return
- ITIN's **can not** be used on the TC-40W.
 - TC-40W must have the same SSN as reported on W-2s.
- Credit for withholdings will be disallowed if filed with an ITIN on the TC-40W.
- Withholding credits can be denied and refunds stopped.
- Must be able to verify withholding in order to process refund.



Refund Tips

- E-File can speed up the refund process
- Use direct deposit
- Check for accuracy
- File early (fraudsters file early in hopes to get refund before you do)
- Respond quickly to Identity Verification letters
- If your system has been breached, or data has been compromised, notify the Tax Commission immediately.
 - Contact the Suspicious Filers Group @ 801-297-3857
 - PTIN#'s or SS#'s can be flagged for fraud alerts

Tax Commission Resources

Contact Us

Practitioner Hotline	801-297-7790 or 1-800-662-4335 ext. 7790
Customer Service – payment processing & liens	801-297-2200 or 1-800-662-4335
Taxpayer Resources Unit – basic tax questions	801-297-7705 or 1-800-662-4335 ext. 7705
TAP Support	801-297-3996 or 1-800-662-4335 ext. 3996 Email: tapsupport@utah.gov
Taxpayer Advocate Service	801-297-7562 or 1-800-662-4335 ext. 7562
Email	taxmaster@utah.gov
Online Resources	
Tax Commission Website	tax.utah.gov
Forms and Publications	tax.utah.gov/forms
Online Services (TAP)	tap.utah.gov
Tax Practitioner Information	tax.utah.gov/taxpros
Individual Income Tax	incometax.utah.gov
Legislative Summaries	tax.utah.gov/legislation
Tax Training	tax.utah.gov/training
Twitter	Forms: UtahTaxWebsite All other Tweets: Utahtaxcomm

