

# Utah State Tax Commission Tax and Revenue



# 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](https://tax.utah.gov/training/webinars)

## Tax Webinars & Videos

Each month, the Tax Commission holds live public webinars on various tax topics, with access to the recording after the event. We'll also add other training items here as needed. 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.**

### Income Tax Credit Review Part-1

When: **February 20, 2025**

Time: **10:00am, Mountain Time**

Description: Join us for part one of a two part series where we will do a deep dive into available Utah income tax credits. You just may find out you qualify for a previously unknown tax credit.

[Register](#)

### Upcoming Webinars

**March 20, 2025** – Income Tax Credit Review – Part 2

**April 17, 2025** – Sales Tax Licensing Requirements and Application Process

**May 15, 2025** – Basics of What is Taxable and What is Exempt from Sales Tax

**June 19, 2025** – Review of Sales Tax Publications

Information presented in past webinar recordings is current as of the date of the recording and may not reflect legislative and other subsequent changes. For the most up-to-date information, please refer to our [Forms and Publications](#) and our [Recent Info and Tax Law Changes](#) page.

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Search:

Date	Title	Category/Tax Type	Links
Jan 16, 2025	What's new for the 2024 Income Tax season	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
Dec 19, 2024	Construction Industry Sales and Use Tax	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
Nov 21, 2024	General Pass Through Entity Topics – SALT	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
Oct 17, 2024	Lodging Transient Room Taxes	Sales Taxes	<a href="#">Video Link</a>   <a href="#">PDF</a>
Sep 19, 2024	Retirement Tax Topics and Credits	Individual Income Tax Credit	<a href="#">Video Link</a>   <a href="#">PDF</a>
Aug 15, 2024	Restaurants, Facilitators and Grocery Foods	Sales Tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Jul 18, 2024	Health Benefit Plan Credit	Individual Income Tax Credit	<a href="#">MP4</a>   <a href="#">PDF</a>
Jun 20, 2024	Sales Tax Refund Process	Sales Taxes	<a href="#">MP4</a>   <a href="#">PDF</a>
May 16, 2024	Military Income Common Topics and Credits	Income tax	<a href="#">MP4</a>   <a href="#">PDF</a>
Apr 18, 2024	How to determine the correct sales tax rate	Sales Taxes	<a href="#">MP4</a>   <a href="#">PDF</a>
Mar 21, 2024	Utah Child/Dependent Tax Information	IncomeTax	<a href="#">MP4</a>   <a href="#">PDF</a>



# Individual Income Tax Credit Review – Part 1



# Topics

- **Types of Tax Credits**
- **TC-40 Schedule A**
- **Apportionable Nonrefundable Credits**
- **Apportionable Refundable Credit**



# Types of Tax Credits

## Nonrefundable Credits

- Nonrefundable Credits- Can reduce your income tax to zero, but any credit greater than your tax liability will not be refunded.
  - Apportionable nonrefundable credits – This credit may be limited by the apportionment percentage on a Utah return for a nonresident or part year resident.
  - Nonapportionable Nonrefundable Credits – This credit is allowed up to the tax liability amount regardless of residency status.

NOTE: Some nonrefundable credits may have a carryback or carry forward available if the credit exceeds your tax liability.



# Types of Tax Credits

## Refundable Credits

- Refundable Credits – Can be refunded if it exceeds your Utah tax liability.
  - Nonapportionable Refundable Credits – The full credit is allowed regardless of residency status.
  - Apportionable Refundable credits – This credit may be limited by the apportionment percentage on a Utah return for a nonresident or part year resident.



# Utah Admin. Code 865-91-42

## Order of Credits Applied Against Utah Individual Income Tax Due

Taxpayers shall deduct credits authorized by Section 59-6-102, Section 59-13-202, Section 59-13-301, Title 59, Chapter 10, and Title 63M, Chapter 1 against Utah individual income tax due in the following order:

- (1)** nonrefundable credits
- (2)** nonrefundable credits with a carryforward
- (3)** refundable credits





# Utah Tax Credit Resources

- For a listing of Utah tax credits , please visit [incometax.utah.gov](https://www.incometax.utah.gov).
- Utah Individual Income Tax [2024 TC-40 Instructions](#).
- Utah Code Section [59-10 part 10](#) for Nonrefundable Tax Credits.
- Utah Code Section [59-10 part 11](#) for Refundable Tax Credits.
- Utah Administrative Rule [R865-91](#).



# TC-40 Schedule A

Clear form

**Income Tax Supplemental Schedule**  
 40404 SSN [ ] Last name [ ] TC-40A Pg. 1  
2024

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**Part 1 - Additions to Income** (enter the code and amount of each addition to income)  
 See instructions or [incometax.utah.gov](http://incometax.utah.gov) for codes.

	Code	Amount
•	[ ]	[ ] .00
•	[ ]	[ ] .00
•	[ ]	[ ] .00
•	[ ]	[ ] .00
•	[ ]	[ ] .00
•	[ ]	[ ] .00
<b>Total additions to income</b> (add all additions to income and enter total here and on TC-40, line 5)		[ ] .00

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**Part 2 - Subtractions from Income** (enter the code and amount of each subtraction from income)  
 See instructions or [incometax.utah.gov](http://incometax.utah.gov) for codes.

If using subtraction 77 (Native American Income), enter your enrollment number and tribal code:

	Enrollment Number	Tribe	Code	
You	[ ]	[ ]	[ ]	[ ] .00
Spouse	[ ]	[ ]	[ ]	[ ] .00
•	[ ]	[ ]	[ ]	[ ] .00
•	[ ]	[ ]	[ ]	[ ] .00
<b>Total subtractions from income</b> (add all subtractions from income and enter total here and on TC-40, line 8)				[ ] .00

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

- 51 Lump sum distribution
- 53 Medical care savings account (MSA) addback
- 54 my529 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
- 67 Tax paid on behalf of a pass-through entity taxpayer
- 68 Payroll Protection Program grant or loan addback
- 69 Equitable adjustments

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

- 71 Interest from Utah municipal bonds and 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
- 89 FDIC premiums
- 90 Qualified retirement plan distributions



For more information on Utah additions and subtractions to income please review the TC-40 instructions, or visit our webpage at [incometax.utah.gov/topics](http://incometax.utah.gov/topics)

# TC-40 Schedule A

**Part 3 - Apportionable Nonrefundable Credits** (enter the code and amount of each credit)  
See instructions or [incometax.utah.gov](http://incometax.utah.gov) for codes.

If you are using credit 18 (Retirement Credit), enter your birth date(s):  
 You •  /  /  Spouse •  /  /   
mm/dd/yy mm/dd/yy

**Total apportionable nonrefundable credits** (add all Part 3 credits and enter total here and on TC-40, line 24) .00

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**Part 4 - Nonapportionable Nonrefundable Credits** (enter the code and amount of each credit)  
See instructions or [incometax.utah.gov](http://incometax.utah.gov) for codes.

If you are using credit 02 (Qualified Sheltered Workshop), enter the sheltered workshop's name:

**Total nonapportionable nonrefundable credits** (add all Part 4 credits and enter total here and on TC-40, line 26) .00

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

- 04 Capital gain transactions credit
- 18 Retirement credit
- 20 my529 credit
- 23 Health benefit plan credit
- 26 Gold and silver coin sale credit
- AH Social Security benefits credit
- AJ Military retirement credit
- AM Earned income tax credit
- AS Nonrefundable adoption expenses credit
- AT Child tax credit

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

- 01 At-home parent credit
- 02 Qualified sheltered workshop cash contribution credit
- 06 Historic preservation credit
- 12 Credit for increasing research activities in Utah
- 13 Carryforward of 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 credit
- 28 Employing persons who are homeless credit
- 63 Achieving a Better Life Experience (ABLE) program credit
- AA Military survivor benefits credit
- AG Carson Smith Opportunity Scholarship Program credit
- AP Pass-through entity taxpayer income tax credit





# Apportionable Nonrefundable Credits

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

- [04](#) – Capital gain transactions credit
- [18](#) – Retirement credit
- [20](#) – Utah my529 credit
- [23](#) – Health benefit plan credit
- [26](#) – Gold and silver coin sale credit
- [AH](#) – Social Security benefits credit
- [AJ](#) – Military retirement credit
- [AM](#) – Earned income tax credit
- [AS](#) – Nonrefundable adoption expenses credit
- [AT](#) – Child Tax Credit



# Capital Gain Transactions

## (Code 04)



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

Calculation of Capital Gain Transactions Credit	
1. Eligible capital gain	\$
2. Multiply line 1 by 4.55% (.0455). This is your credit.	\$
<b>Enter this amount on TC-40A, Part 3, using code 04.</b>	

**Note:** You may not carry forward or back any credit that is more than your tax liability.



# Capital Gain Transactions

## (Continued)



### Common Errors:

1. Claiming full transaction amount instead of income tax rate (4.55% for 2024) of the transaction amount.
2. Didn't buy stock in Utah small business or had prior ownership interest.



# Retirement Credit

## (Code 18)

If a primary or secondary taxpayer were born on or before **December 31, 1952**, they may take a retirement credit of up to **\$450 per individual**. This credit may be phased out based on income.

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

- **\$16,000** for married filing separately
- **\$25,000** for single, and
- **\$32,000** for married filing jointly, qualifying surviving spouse or head of household.





# Retirement Credit

## (Continued)

An individual **cannot** claim the Retirement Credit if they claim the Social Security Benefits Credit (code AH) or the Military Retirement Credit (code AJ) on the same tax return – May need to calculate both credits to see which one is most beneficial.



### Retirement Credit Worksheet

1. If only you or only your spouse is taking this credit, enter 450.  
If both you and your spouse are taking this credit, enter 900. 1 \_\_\_\_\_
2. Enter the amount from TC-40, line 6 (Total income) 2 \_\_\_\_\_
3. Enter municipal bond interest from TC-40, Schedule A, Part 1, code 57 3 \_\_\_\_\_
4. Line 2 minus line 3 4 \_\_\_\_\_
5. Enter tax exempt interest from federal form 1040 or 1040-SR, line 2a 5 \_\_\_\_\_
6. **Modified Adjusted Gross Income** 6 \_\_\_\_\_  
Add lines 4 and 5
7. Enter: 7 \_\_\_\_\_
  - a. **Married filing separately:** \$16,000
  - b. **Married filing federal return 1040NR:** \$16,000
  - c. **Married filing joint:** \$32,000
  - d. **Single:** \$25,000
  - e. **Qualifying surviving spouse or head of household:** \$32,000
8. Line 6 minus line 7 (not less than zero) 8 \_\_\_\_\_
9. Multiply line 8 by 0.025 9 \_\_\_\_\_
10. **Retirement Credit** 10 \_\_\_\_\_  
Subtract line 9 from line 1 (not less than zero).

If you (and/or your spouse) claim this credit, enter the total amount on TC-40A, Part 3, using code 18. Also enter your (and/or your spouse's) birthdate(s).

# Retirement Credit

## (Continued)

- If you (and/or your spouse) claim this credit, enter the total amount on TC-40A, Part 3, using code 18. Also enter your (and/or your spouse's) birthdate(s).
- You may not carry forward or back any retirement credit that is more than your tax liability.
- **Note:** Because the maximum amount of this credit is \$450 per individual, you (and/or your spouse) may qualify for a larger credit by taking the [Social Security Benefits Credit \(code AH\)](#) or the [Military Retirement Credit \(code AJ\)](#).





# Utah my529 Credit

## (Code 20)

- If a qualified contribution was made to your my529 account, you may claim a nonrefundable credit.
  - To qualify, the contribution
    - Must be made during the tax year and
    - Must not have been deducted on your federal return.
- If you are a my529 account owner, you will receive form TC-675H, my529 Tax Statement for Contributions, Withdrawals, and Transfers, from my529.
  - If your filing status is single, head of household, married filing separate or qualifying surviving spouse, enter on TC-40A, Part 3, the amount from TC-675H, box 1A.
  - If your filing status is married filing joint, enter the amount from TC-675H, box 1B.



# Utah my529 Credit

(Continued)



- If you are a grantor trust and you receive more than one TC-675H for the same beneficiary, contact my529 for instructions to correctly calculate the credit.
- Keep form TC-675H with your records to provide the Tax Commission upon request.
- If you have any questions about my529 accounts, call my529 at 1-800-418-2551, or visit [my529.org](https://my529.org).
- You may not carry forward or back any credit that is more than your tax liability.



# Utah my529 Credit

## (Continued)



### Common Errors:

1. Claiming full contribution amount instead of 4.55% of contributions.
2. Claim the total of box 1A & 1B from the TC-675H.
3. Grandparents claiming credit for contributions made under an account where they are not the account owner.



# Health Benefit Plan Tax Credit

## (Code 23)

Non refundable tax credit available if you purchased your own health insurance and were not eligible to participate in a health benefit plan maintained and funded through an employer or former employer.

**Note:** You do not qualify for this credit if you or your spouse had the option to get health insurance through an employer or former employer, even if you chose not to use the employer's plan.

Credit of up to the current Utah tax rate (4.55% for 2024) of premiums paid for a qualified health benefit plan.

- **Maximum Credit**
  - \$300 for a single taxpayer with no dependents
  - \$600 for married filing jointly taxpayers with no dependents
  - \$900 for all taxpayers with dependents



# Health Benefit Plan Tax Credit

## Who Qualifies for the Credit?

Answer the following questions to determine if you qualify for the Health Benefit Plan Tax credit.

1. Are you or your spouse eligible to participate in a health benefit plan in which a current or former employer pays any portion of the health plan premiums, even if you elect not to participate in the plan?
  - If the answer is Yes, **STOP** you do not qualify for the credit.
  - If the answer is Yes **and** the employer's plan only covers employees and does not allow the employee to purchase coverage through the company plan for his/her family members, go to question 2.
  - If the answer is No, go to question 2.
2. Do you have a health benefit plan that covers you and/or your family? This includes a policy for members of your family that are not eligible to participate in a current or former employer's plan.
  - If the answer is No, **STOP** you do not qualify for the credit.
  - If the answer is Yes, review the information and examples in this presentation.



# Health Benefit Plan Tax Credit

## What is a Qualified Health Benefit Plan?

- You **may** include the following amounts when calculating the credit:
  - Payments for a health benefit plan through an Affordable Care Act (ACA) marketplace.
    - You may also include any extra amounts you had to pay for the plan on your federal income tax return, but you must subtract any amounts refunded to you on your federal tax return.
  - Medicare Plan A premiums, if you are required to pay them (most people are not).
  - Medicare Plan B premiums, even if the payments are deducted from your social security benefits.





# Health Benefit Plan Tax Credit

## What is a Qualified Health Benefit Plan?

- You **may** include the following amounts when calculating the credit (continued):
  - Payments for healthcare plans offered by private insurance carriers approved by Medicare (Medicare Plan C, Medicare Advantage).
  - Payments for Medicare Plan D (drug) plans offered by private insurance carriers and approved by Medicare.
  - Payments for a health benefit plan connected to Medicaid. Do not include amounts paid by Medicaid.
  - Payments through COBRA for a former employer's insurance plan.



# Health Benefit Plan Tax Credit

## Non Qualified Health Benefit Plan?

Health benefit plans **do not** include:

- Accident and disability income insurance
- Liability and supplemental liability insurance
- Workers compensation insurance
- Automobile medical insurance
- Credit-only insurance
- On-site medical coverage
- Insurance where health care is not the main benefit



# Health Benefit Plan Tax Credit

## Non Qualified Health Benefit Plan?

Health benefit plans **do not** include (continued):

- Separate dental, vision, hearing, long-term care or home health plans
- Insurance for a specific illness or disease
- Fixed indemnity insurance
- **Medicare supplemental insurance**
- Self-insurance
- Other similar coverage.



# Health Benefit Plan Tax Credit

## (Continued)



### Common Errors:

1. Already have health insurance plan funded by employer.
2. Claiming credit for a supplemental plan.





# Gold and Silver Coin Sale Credit

## (Code 26)

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



# Gold and Silver Coin Sale Credit

## (Continued)



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.



# Gold and Silver Coin Sale Credit

## (Code 26)

For more information, see [UC Title 59, Chapter 1, Part 15, Specie Legal Tender Act](#).

<b>Calculation of Gold and Silver Coin Sale Credit</b>	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 federal 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 – 4.55%	.0455
	7. Credit – multiply line 5 by line 6	\$

Enter the line 7 credit above on TC-40A, Part 3, using code 26.



**Note:** You may not carry forward or back any credit that is more than your tax liability.

# Gold and Silver Coin Sale Credit

## (Continued)



### Common Errors:

1. Capital Gain isn't reported on schedule D





# Social Security Benefits Credit

## (Code AH)

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

- You may only claim this credit for Social Security benefits included in adjusted gross income on this return.

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

The **2024** phase out begins for modified adjusted gross income amounts over:

- \$37,500 for married filing separately
- \$45,000 for single, and
- \$75,000 for married filing jointly.



# Social Security Benefits Credit

## (Continued)

- Complete the Social Security Credit Worksheet to see the amount of tax credit.
- Worksheet is located in the TC-40 Instructions.
- Amount comes from 1040 or 1040-SR line 6b
  - Exclude any Railroad Retirement income from line 6b when calculating the Social Security Benefits Credit.
- Use credit code **(AH)** when claiming the Social Security Tax credit.
- **An individual cannot claim this credit if they claim the Retirement Credit on the same tax return. (code 18)**



# Social Security Benefits Credit (Continued)

## 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. Enter the amount from TC-40, line 6 (Total income) 2 \_\_\_\_\_
3. Enter municipal bond interest from TC-40, Schedule A, Part 1, code 57 3 \_\_\_\_\_
4. Line 2 minus line 3 4 \_\_\_\_\_
5. Enter tax exempt interest from federal form 1040 or 1040-SR, line 2a 5 \_\_\_\_\_
6. **Modified Adjusted Gross Income** 6 \_\_\_\_\_  
Add lines 4 and 5
7. Multiply line 1 by 0.0455 7 \_\_\_\_\_
8. Enter: 8 \_\_\_\_\_
  - a. **Married filing separately:** \$37,500
  - b. **Married filing federal return 1040NR:** \$37,500
  - c. **Married filing joint:** \$75,000
  - d. **Single:** \$45,000
  - e. **Qualifying surviving spouse or head of household:** \$75,000
9. Line 6 minus line 8 (not less than zero) 9 \_\_\_\_\_
10. Multiply line 9 by 0.025 10 \_\_\_\_\_
11. **Social Security Benefits Credit** 11 \_\_\_\_\_  
Line 7 minus line 10 (not less than zero)

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

**Note:** You may not carry forward or back any credit that is more than your tax liability.



# Social Security Benefits Credit (Continued)



## Common Errors:

1. Using total Social Security instead of taxable portion to calculate the credit.
2. Claiming Social Security Benefits and Retirement credit on same tax return.



# Military Retirement Credit

## (Code AJ)



An apportionable, nonrefundable, individual income tax credit equal to the tax rate (4.55% for 2024) of the military retirement pay included in a filer's FAGI.

- A taxpayer, spouse (if filing jointly) or a dependent who received taxable military retirement 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.
- Does not include Social Security income, 401(k) or IRA distributions, or other sources of income.





# Military Retirement Credit

## (Continued)

- This credit is only for military retirement income included in FAGI.
- Complete the *Military Retirement Credit Worksheet*
  - Located in the TC-40 Instructions.
- Use code **AJ** to claim this credit.
- **An individual cannot claim this credit if they claim the Retirement Credit on the same tax return. (code 18)**

**TIP:** Do not take this credit if you receive survivor benefits for a service member who died while on active duty or while in training; instead, take the [Military Survivor Benefits Credit \(code AA\)](#).



# Military Retirement Credit

## (Continued)

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### Military Retirement Credit Worksheet

Complete one worksheet for each person taking this credit.

1. Enter the amount of taxable military retirement pay 1 \_\_\_\_\_
2. **Military Retirement Credit** 2 \_\_\_\_\_  
Multiply line 1 by 0.0455

**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.**

---



**Note:** You may not carry forward or back any credit that is more than your tax liability.

# Military Retirement Credit (Continued)



## Common Errors:

1. Frequently claimed as a subtraction from income (Qualified Retirement Plan Distributions deduction)





# Utah Earned Income Tax Credit (Code AM)



- You may claim a nonrefundable Utah earned income tax credit equal to the lesser of 20 percent of your federal earned income tax credit or the total Utah wages shown on W-2s received.
- To qualify you must:
  - qualify for and claim the federal credit in the same tax year, and
  - earn Utah income that is reported on a W-2.

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### Earned Income Tax Credit Worksheet

- 1. Enter your federal earned income tax credit from federal form 1040 or 1040SR, line 27    1    \_\_\_\_\_
- 2. Multiply line 1 by 0.2    2    \_\_\_\_\_
- 3. Total Utah wages shown on form W-2, box 16    3    \_\_\_\_\_

Enter the lesser of line 2 or line 3 on TC-40A, Part 3, using code AM.

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**Note:** You may not carry forward or back any credit that is more than your tax liability.

# Nonrefundable Adoption Expenses Credit

(Code AS)



- You may claim a nonrefundable credit of up to \$3,500 for expenses related to an adoption finalized during the tax year.
  - To qualify for this nonrefundable credit, your adjusted gross income must be:
    - **at least \$55,000 but less than \$110,000** if your filing status is married filing jointly; or
    - **at least \$27,500 but less than \$55,000** if your filing status is single, head of household or qualifying surviving spouse.
- If your income is **less than the minimum amount** for this credit, see the refundable adoption expenses credit (code ME).



# Nonrefundable Adoption Expenses Credit

## (Continued)

- You do NOT qualify for an adoption expenses tax credit if:
  1. you received any state or federal assistance during the tax year;
  2. you claimed the same expenses as a federal tax credit under 26 USC Sec. 23;
  3. you are married but you and your spouse did not file a joint federal tax return; or
  4. you are adopting your spouse's child or your spouse is adopting yours.
- **Note:** You may carry forward for the next three years any credit that is more than your tax liability.
- For more information and to apply for this credit, contact:

Department of Workforce Services  
P.O. Box 45249  
Salt Lake City, UT 84145-0249  
801-526-9675  
[jobs.utah.gov/adoptioncredit/](https://jobs.utah.gov/adoptioncredit/)





# Child Tax Credit

(Code AT)

## Child Tax Credit

You may claim a \$1,000 non refundable credit for any child who:

1. qualifies for the federal child tax credit under IRC 24, and
2. was, on the last day of 2024, **at least one year and no more than three years old.**

Tax Credit reduced by \$.10 per dollar of Modified Adjusted Gross Income over phase out amounts:

Married Filing Separate or filer of 1040-NR - **\$27,000**

Single, Head of Household or Qualified Surviving Spouse - **\$43,000**

Married Filing Joint - **\$54,000**



# Child Tax Credit (Continued)

## Child Tax Credit Worksheet

1.	Enter the number of children who qualify for the federal tax credit (IRC 24) and who were between the ages of 1 and 3 on the last day of 2024	
2.	Multiply line 1 by \$1,000	
3.	Enter the amount from TC-40, line 6 (Total Income)	
4.	Enter municipal bond interest from TC-40, Schedule A, Part 1, code 57	
5.	Line 3 minus line 4	
6.	Enter tax exempt interest from federal form 1040 or 1040-SR, line 2a	
7.	Modified Adjusted Gross Income (Add lines 5 and 6)	
8.	Enter:  a. Married filing separately: \$27,000 b. Married filing federal return 1040NR: \$27,000 c. Married filing joint: \$54,000 d. Single: \$43,000 e. Qualifying surviving spouse or head of household: \$43,000	
9.	Line 7 minus line 8 (not less than zero)	
10.	Multiply line 9 by 0.10	
11.	Child Tax Credit : Line 2 minus line 10 (not less than zero) <b>Enter this amount on TC-40A, Part 3, using code AT.</b>	

**Note: You may not carry forward or back any credit that is more than your tax liability.**



# Apportionable Refundable Credit

## Codes for Apportionable Refundable Credit, TC-40A Part 6

- [ME – Refundable Adoption Expense Credit](#)



# Refundable Adoption Expenses Credit

(Code ME)



- You may claim a refundable credit of up to \$3,500 for expenses related to an adoption finalized during the tax year.
  - To qualify for this refundable credit, your adjusted gross income must be less than:
    - **\$55,000** if your filing status is married filing jointly; or
    - **\$27,500** if your filing status is single, head of household or qualifying surviving spouse.
- If your income is greater than these limits, see the nonrefundable adoption expenses credit (code AS).



# Refundable Adoption Expenses Credit

## (Continued)

- You do NOT qualify for an adoption expenses tax credit if:
  1. you received any state or federal assistance during the tax year;
  2. you claimed the same expenses as a federal tax credit under 26 USC Sec. 23;
  3. you are married but you and your spouse did not file a joint federal tax return; or
  4. you are adopting your spouse's child or your spouse is adopting yours.
  
- For more information and to apply for this credit, contact:

Department of Workforce Services

P.O. Box 45249

Salt Lake City, UT 84145-0249

801-526-9675

[jobs.utah.gov/adoptioncredit/](https://jobs.utah.gov/adoptioncredit/)





# Upcoming March 2025 Webinar – March 27, 2025

## Individual Income Tax Credits Part-2

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

- 01 At-home parent credit
  - 02 Qualified sheltered workshop cash contribution credit
  - 06 Historic preservation credit
  - 12 Credit for increasing research activities in Utah
  - 13 Carryforward of 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 credit
  - 28 Employing persons who are homeless credit
  - 63 Achieving a Better Life Experience (ABLE) program credit
  - AA Military survivor benefits credit
  - AG Carson Smith Opportunity Scholarship Program credit
  - AP Pass-through entity taxpayer income tax credit
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### Codes for Nonapportionable Refundable Credits, TC-40A Part 5

- 39 Renewable commercial energy systems credit
  - 47 Agricultural off-highway gas/undyed diesel credit
  - 48 Farm operation hand tools credit
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Unpublished certificated credits administered by other Utah state agencies.



# 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: <a href="mailto:tapsupport@utah.gov">tapsupport@utah.gov</a>
Taxpayer Advocate Service	801-297-7562 or 1-800-662-4335 ext. 7562
Email	<a href="mailto:taxmaster@utah.gov">taxmaster@utah.gov</a>
Online Resources	
Tax Commission Website	<a href="http://tax.utah.gov">tax.utah.gov</a>
Forms and Publications	<a href="http://tax.utah.gov/forms">tax.utah.gov/forms</a>
Online Services (TAP)	<a href="http://tap.utah.gov">tap.utah.gov</a>
Tax Practitioner Information	<a href="http://tax.utah.gov/taxpros">tax.utah.gov/taxpros</a>
Individual Income Tax	<a href="http://incometax.utah.gov">incometax.utah.gov</a>
Tax Training	<a href="http://tax.utah.gov/training">tax.utah.gov/training</a>
X (formerly Twitter) Facebook Instagram	@UtahStateTax Utah State Tax Commission <a href="https://www.facebook.com/utahstatetaxcommission">utahstatetaxcommission</a>



*Thank You*

