

# 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.



### Utah Individual Income Tax Additions and Subtractions to Income

When: September 18, 2025

Time: 10:00am, Mountain Time

Description: Join us to get information about additions and subtractions to income on Utah's TC-40 individual income tax return.

[Register](#)

### Upcoming Webinars

September 18, 2025: Utah Income Tax Additions and Subtractions from Income

October 16, 2025: Sales Tax Compliance Topics

November 20, 2025: Utah Employer Withholding Taxes – W-2 and 1099 Submission Instructions

December 18, 2025: Sales Tax Adjustments – Adjusting for Tax Rate Changes

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
Aug 21, 2025	Special Events Sales Tax – Promoters and Vendors	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
Jul 17, 2025	Utah Tax Collection Topics	Collections	<a href="#">Video Link</a>   <a href="#">PDF</a>
Jun 19, 2025	Sales Tax Resources and Publications	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
May 15, 2025	What is Taxable and What is Exempt from Sales Tax	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
Apr 17, 2025	Sales Tax Licensing Requirements and Application Process	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
Mar 27, 2025	Income Tax Credit Review Part-2	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
Mar 11, 2025	2025 Special Events Promoter Updates	Sales Tax	<a href="#">Video Link</a>
Feb 20, 2025	Income Tax Credit Review Part-1	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
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>



# **Utah Individual Income Tax Additions and Subtractions to Income**



# Topics

- **Utah Additions and Subtractions to Income Resources**
- **TC-40 Schedule A**
- **Additions to Income**
- **Subtractions from Income**



# Utah Additions and Subtractions Resources

- Utah Code [\(§\)59-10-114](#)
- For a listing of Utah additions and subtractions to income, please visit [incometax.utah.gov](https://tax.utah.gov/incometax).
- Utah Individual Income Tax [2024 TC-40 Instructions](#). (2025 draft TC-40 is available on tax.utah.gov)
- Utah Administrative Rule [R865-91](#).



# TC-40 Schedule A

## Additions to Income:

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
•	<input type="text"/>	<input type="text"/> .00
•	<input type="text"/>	<input type="text"/> .00
•	<input type="text"/>	<input type="text"/> .00
•	<input type="text"/>	<input type="text"/> .00
•	<input type="text"/>	<input type="text"/> .00
		<input type="text"/> .00

Total additions to income (add all additions to income and enter total here and on TC-40, line 5)

### 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





# TC-40 Schedule A

## Subtractions from Income:

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	<input type="text"/>	<input type="text"/>
Spouse	<input type="text"/>	<input type="text"/>

Code	Amount
• <input type="text"/>	<input type="text"/> .00
• <input type="text"/>	<input type="text"/> .00
• <input type="text"/>	<input type="text"/> .00
• <input type="text"/>	<input type="text"/> .00
• <input type="text"/>	<input type="text"/> .00
Total subtractions from income (add all subtractions from income and enter total here and on TC-40, line 8)	<input type="text"/> .00

### 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





# Additions to Income

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

- [51 - Lump Sum Distribution](#)
- [53 - Medical care savings account \(MSA\) addback](#)
- [54 - my529 addback](#)
- [56 - Childs income excluded from parent's return](#)
- [57 - Municipal bond interest](#)
- [60 - Untaxed income of a resident trust](#)
- [61 - Untaxed income of a nonresident trust](#)
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- [68 - Payroll Protection Program grant or loan addback](#)
- [69 - Equitable adjustments](#)



# Lump Sum Distribution

Code 51

[UC §59-10-114\(1\)\(a\)](#)

- ***Note: This addition to income only applies if you filed form 4972 with your federal form.***
  - 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, multiply the amount on line 10 of federal form 4972 by the distribution percentage shown in box 9a on your form 1099-R, then add the amount from form 4972, Part II, line 6.



# Medical Care Savings Account Addback

(code 53)

[UC §59-10-114\(1\)\(c\)](#)

- If you are an account holder who contributes to an MSA, the account administrator will send you form TC-675M, *Statement of Withholding for Utah Medical Savings Account*.
  - 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.



# my529 Addback

(code 54)

[Utah Code §59-10-114\(1\)\(d\)](#)

- If you withdrew an amount from a Utah my529 account but did not use it for qualified 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 my529 credit on your current or a previously filed Utah tax return.
  - If you are a my529 account owner, you will receive form TC-675H, *my529 Tax Statement for Contributions, Withdrawals, and Transfers from my529*. Keep this form with your records.

\* If you have any questions about my529 accounts, call my529 at 1-800-418-2551, or visit [my529.org](https://my529.org).

Visit [this page](#) for more information about my529 plans.



# Child's Income Excluded from Parent's Return

(code 56)

[UC §59-10-114\(1\)\(b\)](#)

- If you are a parent who reported a child's interest and dividends on your federal return, you must add any child's income excluded from your income to your return.
- Use the following worksheet to calculate the addback:

1.	Enter the lesser of federal form 8814, line 4 or line 5	\$
2.	Federal amount not taxed.	\$ 1,300
3.	Subtract line 2 from line 1. If less than zero, enter "0." This is the addition to Utah income.	\$

- If you reported income for more than one child, 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.



# Municipal Bond Interest

(code 57)

[Utah Code §59-10-114\(1\)\(e\)](#)

- Enter interest from certain bonds, notes and other evidences of indebtedness issued by non-federal government entities outside Utah (municipal bonds) acquired after Jan. 1, 2003, if the interest is not included in your federal adjusted gross income.
- Do not enter interest earned on non-Utah municipal bonds if the issuer does not impose an income tax on bonds issued by Utah, or the issuing state does not impose an income tax.



# Untaxed Resident Trust Income

(code 60)

[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 not taxed at the trust level for Utah tax purposes.





# Untaxed Nonresident Trust Income

(code 61)

[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, 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.



# Tax Paid on Behalf of a Pass-through Entity Taxpayer

(code 67)

[Utah Code §59-10-114\(1\)\(i\) and \(j\)](#)

- Enter the total tax paid on your behalf by a pass-through entity during the tax year to:
  1. Utah under §59-10-1403.2(2), and
  2. any other state that imposes a tax similar to the tax described in §59-10-1403.2(2).

\* This addition is in regard to SALT payments made by a pass-through entity on behalf of a final pass-through entity taxpayer



# Payroll Protection Program Grant or Loan Addback

(code 68)

(UC §59-10-103(1)(a)(ii))

- If you received a COVID-19 Payroll Protection Program (PPP) grant or loan, enter any amount that:
  - was forgiven during the 2024 tax year,
  - is exempt from federal income tax, and
  - you used for expenses that you deducted on your federal tax return.
- If you own an interest in an LLC, partnership, S-corporation or trust that received a PPP grant or loan meeting these requirements, include your distributed share on this line. (See the “Other Income” line of Utah Schedule K-1 received from the LLC, partnership, S-corporation or trust.)



# Equitable Adjustments – Additions

(code 69)

[UC §59-10-115\(2\)](#)

- Enter any qualified equitable adjustment needed to prevent receiving a double tax benefit.



# Subtractions from Income

## Codes for Subtractions to 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](#)



# Interest from Utah Municipal Bonds and U.S. Government Obligations

(code 71)

[Utah Code §59-10-114\(2\)\(a\) & \(f\)](#)

## Utah Municipal Bonds

- Interest earned on Utah municipal bonds is **exempt** from Utah income tax.
  - Municipal bond interest is usually **excluded from federal adjusted gross income**. In these cases, do not subtract municipal bond interest.
  - Some municipal bond interest is **included in federal adjusted gross income**, (e.g., Build America Bonds, etc.). In these cases, deduct Utah municipal bond interest from Utah taxable income. Enter the non-taxable subtraction on TC-40A, Part 2, using code 71.
- Keep all records and documentation to support this subtraction



# Interest from Utah Municipal Bonds and U.S. Government Obligations

## U.S. Government Obligations

- Interest earned on U.S. Government obligations is **exempt** from Utah income tax. These obligations include:
  - Treasury bills
  - Treasury notes
  - 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).
  - Interest on IRS or other federal agency refunds.





# Interest from Utah Municipal Bonds and U.S. Government Obligations

## U.S. Government Obligations (cont)

- 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.
- You may only deduct interest or dividend income from U. S. Government obligations included in your federal adjusted gross 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.

# Native American Income

## (code 77)

[Utah Code §59-10-114\(2\)\(b\) and \(e\)](#)

- Some income of Utah Native Americans is exempt from Utah income tax. To qualify, you must:
  - be an enrolled member of a Native American tribe in Utah,
  - live on your tribe's reservation, and
  - earn the income on your tribe's reservation (for active duty military income, see Pub 57).
- Also, 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.



# Native American Income

## (code 77)

[Utah Code §59-10-114\(2\)\(b\) and \(e\)](#)

(cont)

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 Nation/Tribe Code from the following list:

Code	Nation / Tribe
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



\*Keep all records and documentation to support this subtraction.

# Railroad Retirement Income

(code 78)

[Utah Code §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 or 1040-SR, lines 5b and/or 6b, 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.



# Equitable Adjustments – Subtractions

(code 79)

[UC §59-10-115\(2\)](#)

- Enter any qualified equitable adjustment needed to prevent paying double tax. Attach an explanation.
- **Do not use this subtraction to deduct the income of a nonresident spouse. File TC-40B, *Non or Part-year Resident Schedule*.**



# Nonresident Active Duty Military Pay

(code 82)

[50 USC §4001](#)

- Nonresident service members do not pay Utah income tax on active-duty military pay. Deduct the amount of active-duty military pay included in your federal adjusted gross income on TC-40A, Part 2, using code 82.

Also see instructions for TC-40B and [Pub 57, Military Personnel Instructions](#)



# State Refund Distributed to Trust Beneficiary

(code 85)

[UC §59-10-114\(2\)\(c\)](#)

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





# Nonresident Military Spouse Income

(code 88)

[50 USC §4001](#)

The income of a service member's spouse is exempt from Utah tax if the spouse is:

- not a resident of Utah,
  - not also a service member, and
  - in Utah solely to be with the service member serving under military orders.
- 
- Enter the 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 33.



Also see [Pub 57, Military Personnel Instructions](#) for more information.

# FDIC Premiums

(code 89)

[UC §59-10-114\(2\)\(i\)](#)

- You may subtract from income FDIC premiums that were not allowed as a deduction on your federal return under IRC 162(r).



# Qualified Retirement Plan Distributions

(code 90)

[UC §59-10-114\(2\)\(j\)](#)

Enter the amount of any distribution from a qualified IRC Section 401(a) retirement plan that is included in your federal adjusted gross income if, in the year it was paid into the plan, the amount was:

1. not included in your federal adjusted gross income; and
2. taxed by another state, the District of Columbia or a possession of the United States.



**WARNING:** Most filers do not qualify for this subtraction. This subtraction is for very rare cases where Utah taxes retirement income derived from contributions to a retirement plan that were previously taxed by another state.

# 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.utahstatetaxcommission.com">utahstatetaxcommission</a>



*Thank You*

