

IN THE SENATE

SENATE BILL NO. 1057

BY LOCAL GOVERNMENT AND TAXATION COMMITTEE

AN ACT

RELATING TO TAXATION; AMENDING SECTION 63-3029L, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE CHILD TAX CREDIT; DECLARING AN EMERGENCY AND PROVIDING RETROACTIVE APPLICATION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 63-3029L, Idaho Code, be, and the same is hereby amended to read as follows:

63-3029L. CHILD TAX CREDIT. (1) For taxable years beginning on or after January 1, 2018, and before January 1, 2026, there shall be allowed to a taxpayer a nonrefundable credit against the tax imposed by this chapter in the amount of two hundred five dollars (\$205) with respect to each qualifying child of the taxpayer. For purposes of this section, the term "qualifying child" has the meaning as defined in section 24(c) of the Internal Revenue Code, and shall also include any preborn child, as defined in section 18-8801(3), Idaho Code, from any pregnancy diagnosed as occurring during such tax year as long as the preborn child was not delivered to term during the same tax year. Any person claiming a credit for a qualifying child who is a preborn child under the provisions of this section shall include a letter from a licensed physician or licensed midwife of the preborn child's mother certifying that the pregnancy resulting in such preborn child was diagnosed as occurring during the tax year and did not result in a delivery to term within the same tax year. In the case of a preborn child of a mother who is also a dependent, the tax credit provided under this section may be claimed by either such dependent or, if not claimed by the dependent, the person who is claiming the dependent on such person's tax return. In no event shall more than one (1) taxpayer be allowed this credit for the same qualifying child. This credit is available only to Idaho residents. Any part-year resident entitled to a credit under this section shall receive a proportional credit reflecting the part of the year in which the part-year resident was domiciled in Idaho.

(2) In the case of divorced parents or parents who do not live together, ~~if~~ and the qualifying child is a preborn child, the mother of the preborn child shall claim the credit. If the qualifying child is not a preborn child and the qualifying child is in the custody of one or both of the child's parents for more than one-half of a calendar year, such child is the qualifying child of the custodial parent for the taxable year beginning during such calendar year. However, the child may be the qualifying child of the noncustodial parent if either of the following requirements are met:

(a) A court of competent jurisdiction has unconditionally awarded, in writing, to the noncustodial parent the tax benefits associated with the child pursuant to section 32-706, Idaho Code, and the noncustodial

1 parent attaches a copy of the court order to the noncustodial parent's
2 income tax return for the taxable year; or

3 (b) The custodial parent signs a written declaration that such custo-
4 dial parent will not claim the credit of this section with respect to
5 such child for any taxable year beginning in such calendar year and the
6 noncustodial parent attaches such written declaration to the noncusto-
7 dial parent's income tax return for the taxable year beginning during
8 such calendar year.

9 SECTION 2. An emergency existing therefor, which emergency is hereby
10 declared to exist, this act shall be in full force and effect on and after its
11 passage and approval, and retroactively to January 1, 2025.