

**EARNED INCOME TAX CREDIT AMENDMENTS**

2022 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Mike Winder**

Senate Sponsor: Daniel McCay

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**LONG TITLE**

**General Description:**

This bill enacts a state earned income tax credit.

**Highlighted Provisions:**

This bill:

- ▶ enacts a nonrefundable state earned income tax credit; and
- ▶ provides for apportionment of the state earned income tax credit.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

This bill provides retrospective operation.

**Utah Code Sections Affected:**

AMENDS:

**59-10-1002.2**, as last amended by Laws of Utah 2021, Chapters 68 and 428

ENACTS:

**59-10-1044**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **59-10-1002.2** is amended to read:

**59-10-1002.2. Apportionment of tax credits.**

(1) A nonresident individual or a part-year resident individual that claims a tax credit



28 in accordance with Section [59-10-1017](#), [59-10-1018](#), [59-10-1019](#), [59-10-1022](#), [59-10-1023](#),  
29 [59-10-1024](#), [59-10-1028](#), [59-10-1042](#), [or] [59-10-1043](#), or [59-10-1044](#) may only claim an  
30 apportioned amount of the tax credit equal to:

31 (a) for a nonresident individual, the product of:

32 (i) the state income tax percentage for the nonresident individual; and

33 (ii) the amount of the tax credit that the nonresident individual would have been  
34 allowed to claim but for the apportionment requirements of this section; or

35 (b) for a part-year resident individual, the product of:

36 (i) the state income tax percentage for the part-year resident individual; and

37 (ii) the amount of the tax credit that the part-year resident individual would have been  
38 allowed to claim but for the apportionment requirements of this section.

39 (2) A nonresident estate or trust that claims a tax credit in accordance with Section  
40 [59-10-1017](#), [59-10-1020](#), [59-10-1022](#), [59-10-1024](#), or [59-10-1028](#) may only claim an  
41 apportioned amount of the tax credit equal to the product of:

42 (a) the state income tax percentage for the nonresident estate or trust; and

43 (b) the amount of the tax credit that the nonresident estate or trust would have been  
44 allowed to claim but for the apportionment requirements of this section.

45 Section 2. Section **59-10-1044** is enacted to read:

46 **59-10-1044. Nonrefundable earned income tax credit.**

47 (1) As used in this section:

48 (a) "Federal earned income tax credit" means the federal earned income tax credit  
49 described in Section 32, Internal Revenue Code.

50 (b) "Qualifying claimant" means a resident or nonresident individual who qualifies and  
51 claims the federal earned income tax credit for the current taxable year.

52 (2) Subject to Section [59-10-1002.2](#), a qualifying claimant may claim a nonrefundable  
53 earned income tax credit equal to 15% of the amount of the federal earned income tax credit  
54 that the qualifying claimant was entitled to claim on a federal income tax return for the current  
55 taxable year.

56 Section 3. **Retrospective operation.**

57 This bill has retrospective operation for a taxable year beginning on or after January 1,  
58 2022.