

1                                   **SOCIAL SECURITY TAX CREDIT AMENDMENTS**

2   2022 GENERAL SESSION

3   STATE OF UTAH

4                                   **Chief Sponsor: Karen Mayne**

5                                   House Sponsor: \_\_\_\_\_

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7 **LONG TITLE**

8 **General Description:**

9           This bill modifies the individual income tax credit for social security benefits.

10 **Highlighted Provisions:**

11           This bill:

12           ▶ expands eligibility for the social security benefits tax credit by increasing the  
13 thresholds for the income-based phaseout.

14 **Money Appropriated in this Bill:**

15           None

16 **Other Special Clauses:**

17           None

18 **Utah Code Sections Affected:**

19 AMENDS:

20           **59-10-1042**, as enacted by Laws of Utah 2021, Chapter 428

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

23           Section 1. Section **59-10-1042** is amended to read:

24           **59-10-1042. Nonrefundable tax credit for social security benefits.**

25           (1) As used in this section:

26           (a) "Head of household filing status" means the same as that term is defined in Section

27 **59-10-1018.**



28 (b) "Joint filing status" means the same as that term is defined in Section 59-10-1018.

29 (c) "Married filing separately status" means a married individual who:

30 (i) does not file a single federal individual income tax return jointly with that married  
31 individual's spouse for the taxable year; and

32 (ii) files a single federal individual income tax return for the taxable year.

33 (d) "Modified adjusted gross income" means the sum of the following for a claimant  
34 or, if the claimant's return under this chapter is allowed a joint filing status, the claimant and  
35 the claimant's spouse:

36 (i) adjusted gross income for the taxable year for which a tax credit is claimed under  
37 this section;

38 (ii) any interest income that is not included in adjusted gross income for the taxable  
39 year described in Subsection (1)(d)(i); and

40 (iii) any addition to adjusted gross income required by Section 59-10-114 for the  
41 taxable year described in Subsection (1)(d)(i).

42 (e) "Single filing status" means a single individual who files a single federal individual  
43 income tax return for the taxable year.

44 (f) "Social security benefit" means an amount received by a claimant as a monthly  
45 benefit in accordance with the Social Security Act, 42 U.S.C. Sec. 401 et seq.

46 (2) Except as provided in Section 59-10-1002.2 and Subsections (3) and (4), each  
47 claimant on a return that receives a social security benefit may claim a nonrefundable tax credit  
48 against taxes otherwise due under this part equal to the product of:

49 (a) the percentage listed in Subsection 59-10-104(2); and

50 (b) the claimant's social security benefit that is included in adjusted gross income on  
51 the claimant's federal income tax return for the taxable year.

52 (3) (a) A claimant may not:

53 (i) carry forward or carry back the amount of a tax credit under this section that  
54 exceeds the claimant's tax liability for the taxable year; or

55 (ii) claim a tax credit under this section and a tax credit under Section 59-10-1019.

56 (b) A claimant that qualifies for a tax credit under this section and a tax credit under  
57 Section 59-10-1019 may elect whether to claim a tax credit under this section or a tax credit  
58 under Section 59-10-1019.

59 (4) The tax credit allowed by Subsection (2) claimed on a return filed under this part  
60 shall be reduced by \$.025 for each dollar by which modified adjusted gross income for  
61 purposes of the return exceeds:

62 (a) for a federal individual income tax return that is allowed a married filing separately  
63 status, [~~\$25,000~~] \$35,000;

64 (b) for a federal individual income tax return that is allowed a single filing status,  
65 [~~\$30,000~~] \$42,000;

66 (c) for a federal individual income tax return that is allowed a head of household filing  
67 status, [~~\$50,000~~] \$70,000; or

68 (d) for a return under this chapter that is allowed a joint filing status, [~~\$50,000~~]  
69 \$70,000.

70 (5) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the  
71 commission may make rules governing the calculation and method for claiming the tax credit  
72 described in this section.