

Senator Evan J. Vickers proposes the following substitute bill:

CANNABIS BUSINESS TAX CREDIT AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor: _____

LONG TITLE

General Description:

This bill enacts a cannabis business expenses income tax credit.

Highlighted Provisions:

This bill:

- ▶ enacts a nonrefundable income tax credit for business expenses related to cultivating, processing, or selling medical cannabis within the state;
- ▶ requires the Department of Agriculture and Food to collect and report tax identification numbers for persons that apply for a license to cultivate, process, or sell medical cannabis to the State Tax Commission; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides retrospective operation.

Utah Code Sections Affected:

AMENDS:

4-41a-201, as last amended by Laws of Utah 2023, Chapters 273, 313 and 327 and last amended by Coordination Clause, Laws of Utah 2023, Chapter 327



26 **4-41a-1001**, as last amended by Laws of Utah 2023, Chapter 317 and renumbered and
27 amended by Laws of Utah 2023, Chapters 273, 307 and last amended by
28 Coordination Clause, Laws of Utah 2023, Chapter 307

29 ENACTS:

30 **59-7-627**, Utah Code Annotated 1953

31 **59-10-1048**, Utah Code Annotated 1953

32

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

34 Section 1. Section **4-41a-201** is amended to read:

35 **4-41a-201. Cannabis production establishment -- License.**

36 (1) Except as provided in Subsection (14), a person may not operate a cannabis
37 production establishment without a license that the department issues under this chapter.

38 (2) (a) (i) Subject to Subsections (6), (7), (8), and (13) and to Section **4-41a-205**, for a
39 licensing process that the department initiates after March 17, 2021, the department, through
40 the licensing board, shall issue licenses in accordance with Section **4-41a-201.1**.

41 (ii) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
42 department shall make rules to specify a transparent and efficient process to:

- 43 (A) solicit applications for a license under this section;
- 44 (B) allow for comments and questions in the development of applications;
- 45 (C) timely and objectively evaluate applications;
- 46 (D) hold public hearings that the department deems appropriate; and
- 47 (E) select applicants to receive a license.

48 (iii) The department may not issue a license to operate a cannabis production
49 establishment to an applicant who is not eligible for a license under this section.

50 (b) An applicant is eligible for a license under this section if the applicant submits to
51 the licensing board:

- 52 (i) subject to Subsection (2)(c), a proposed name and address or, for a cannabis
53 cultivation facility, addresses of no more than two facility locations, located in a zone described
54 in Subsection **4-41a-406(2)(a)** or (b), where the applicant will operate the cannabis production
55 establishment;

56 (ii) the applicant's federal tax identification number for the cannabis production

57 establishment;

58 ~~[(ii)]~~ (iii) the name ~~[and]~~, address, and federal tax identification number of any
59 individual who has:

60 (A) for a publicly traded company, a financial or voting interest of 2% or greater in the
61 proposed cannabis production establishment;

62 (B) for a privately held company, a financial or voting interest in the proposed cannabis
63 production establishment; or

64 (C) the power to direct or cause the management or control of a proposed cannabis
65 production establishment;

66 ~~[(iii)]~~ (iv) an operating plan that:

67 (A) complies with Section 4-41a-204;

68 (B) includes operating procedures that comply with this chapter and any law the
69 municipality or county in which the person is located adopts that is consistent with Section
70 4-41a-406; and

71 (C) the department or licensing board approves;

72 ~~[(iv)]~~ (v) a statement that the applicant will obtain and maintain a liquid cash account
73 with a financial institution or a performance bond that a surety authorized to transact surety
74 business in the state issues in an amount of at least:

75 (A) \$100,000 for each cannabis cultivation facility for which the applicant applies; or

76 (B) \$50,000 for each cannabis processing facility or independent cannabis testing
77 laboratory for which the applicant applies;

78 ~~[(v)]~~ (vi) an application fee in an amount that, subject to Subsection 4-41a-104(5), the
79 department sets in accordance with Section 63J-1-504; and

80 ~~[(vi)]~~ (vii) a description of any investigation or adverse action taken by any licensing
81 jurisdiction, government agency, law enforcement agency, or court in any state for any
82 violation or detrimental conduct in relation to any of the applicant's cannabis-related operations
83 or businesses.

84 (c) (i) A person may not locate a cannabis production establishment:

85 (A) within 1,000 feet of a community location; or

86 (B) in or within 600 feet of a district that the relevant municipality or county has zoned
87 as primarily residential.

88 (ii) The proximity requirements described in Subsection (2)(c)(i) shall be measured
89 from the nearest entrance to the cannabis production establishment by following the shortest
90 route of ordinary pedestrian travel to the property boundary of the community location or
91 residential area.

92 (iii) The licensing board may grant a waiver to reduce the proximity requirements in
93 Subsection (2)(c)(i) by up to 20% if the licensing board determines that it is not reasonably
94 feasible for the applicant to site the proposed cannabis production establishment without the
95 waiver.

96 (iv) An applicant for a license under this section shall provide evidence of compliance
97 with the proximity requirements described in Subsection (2)(c)(i).

98 (3) If the licensing board approves an application for a license under this section and
99 Section 4-41a-201.1:

100 (a) the applicant shall pay the department:

101 (i) an initial license fee in an amount that, subject to Subsection 4-41a-104(5), the
102 department sets in accordance with Section 63J-1-504; or

103 (ii) a fee for a 120-day limited license to operate as a cannabis processing facility
104 described in Subsection (3)(b) that is equal to 33% of the initial license fee described in
105 Subsection (3)(a)(i); and

106 (b) the department shall notify:

107 (i) the Department of Public Safety of the license approval and the names of each
108 individual described in Subsection ~~[(2)(b)(ii)] (2)(b)(iii); and~~

109 (ii) the State Tax Commission of the license approval and the name and federal tax
110 identification numbers of each person described in Subsection (2)(b)(ii) or (iii).

111 (4) (a) Except as provided in Subsection (4)(b), a cannabis production establishment
112 shall obtain a separate license for each type of cannabis production establishment and each
113 location of a cannabis production establishment.

114 (b) The licensing board may issue a cannabis cultivation facility license and a cannabis
115 processing facility license to a person to operate at the same physical location or at separate
116 physical locations.

117 (5) If the licensing board receives more than one application for a cannabis production
118 establishment within the same city or town, the licensing board shall consult with the local land

119 use authority before approving any of the applications pertaining to that city or town.

120 (6) The licensing board may not issue a license to operate an independent cannabis
121 testing laboratory to a person who:

122 (a) holds a license or has an ownership interest in a medical cannabis pharmacy, a
123 cannabis processing facility, or a cannabis cultivation facility;

124 (b) has an owner, officer, director, or employee whose family member holds a license
125 or has an ownership interest in a medical cannabis pharmacy, a cannabis processing facility, or
126 a cannabis cultivation facility; or

127 (c) proposes to operate the independent cannabis testing laboratory at the same physical
128 location as a medical cannabis pharmacy, a cannabis processing facility, or a cannabis
129 cultivation facility.

130 (7) The licensing board may not issue a license to operate a cannabis production
131 establishment to an applicant if any individual described in Subsection (2)(b)(ii):

132 (a) has been convicted under state or federal law of:

133 (i) a felony; or

134 (ii) after December 3, 2018, a misdemeanor for drug distribution;

135 (b) is younger than 21 years old; or

136 (c) after September 23, 2019, until January 1, 2023, is actively serving as a legislator.

137 (8) (a) If an applicant for a cannabis production establishment license under this
138 section holds a license under Title 4, Chapter 41, Hemp and Cannabinoid Act, the licensing
139 board may not give preference to the applicant based on the applicant's status as a holder of the
140 license.

141 (b) If an applicant for a license to operate a cannabis cultivation facility under this
142 section holds a license to operate a medical cannabis pharmacy under this title, the licensing
143 board may give consideration to the applicant based on the applicant's status as a holder of a
144 medical cannabis pharmacy license if:

145 (i) the applicant demonstrates that a decrease in costs to patients is more likely to result
146 from the applicant's vertical integration than from a more competitive marketplace; and

147 (ii) the licensing board finds multiple other factors, in addition to the existing license,
148 that support granting the new license.

149 (9) The licensing board may revoke a license under this part:

150 (a) if the cannabis production establishment does not begin cannabis production
151 operations within one year after the day on which the licensing board issues the initial license;

152 (b) after the third of the same violation of this chapter in any of the licensee's licensed
153 cannabis production establishments or medical cannabis pharmacies;

154 (c) if any individual described in Subsection (2)(b) is convicted, while the license is
155 active, under state or federal law of:

156 (i) a felony; or

157 (ii) after December 3, 2018, a misdemeanor for drug distribution;

158 (d) if the licensee fails to provide the information described in Subsection [~~(2)(b)(vi)]~~
159 (2)(b)(v) at the time of application, or fails to supplement the information described in
160 Subsection [~~(2)(b)(vi)]~~ (2)(b)(v) with any investigation or adverse action that occurs after the
161 submission of the application within 14 calendar days after the licensee receives notice of the
162 investigation or adverse action;

163 (e) if the cannabis production establishment demonstrates a willful or reckless
164 disregard for the requirements of this chapter or the rules the department makes in accordance
165 with this chapter;

166 (f) if, after a change of ownership described in Subsection (15)(b), the board
167 determines that the cannabis production establishment no longer meets the minimum standards
168 for licensure and operation of the cannabis production establishment described in this chapter;
169 or

170 (g) for an independent cannabis testing laboratory, if the independent cannabis testing
171 laboratory fails to substantially meet the performance standards described in Subsection
172 (14)(b).

173 (10) (a) A person who receives a cannabis production establishment license under this
174 chapter, if the municipality or county where the licensed cannabis production establishment
175 will be located requires a local land use permit, shall submit to the licensing board a copy of
176 the licensee's approved application for the land use permit within 120 days after the day on
177 which the licensing board issues the license.

178 (b) If a licensee fails to submit to the licensing board a copy of the licensee's approved
179 land use permit application in accordance with Subsection (10)(a), the licensing board may
180 revoke the licensee's license.

181 (11) The department shall deposit the proceeds of a fee that the department imposes
182 under this section into the Qualified Production Enterprise Fund.

183 (12) The department shall begin accepting applications under this part on or before
184 January 1, 2020.

185 (13) (a) The department's authority, and consequently the licensing board's authority, to
186 issue a license under this section is plenary and is not subject to review.

187 (b) Notwithstanding Subsection (2)(a)(ii)(A), the decision of the department to award a
188 license to an applicant is not subject to:

189 (i) Title 63G, Chapter 6a, Part 16, Protests; or

190 (ii) Title 63G, Chapter 6a, Part 17, Procurement Appeals Board.

191 (14) (a) Notwithstanding this section, the department:

192 (i) may operate or partner with a research university to operate an independent
193 cannabis testing laboratory;

194 (ii) if the department operates or partners with a research university to operate an
195 independent cannabis testing laboratory, may not cease operating or partnering with a research
196 university to operate the independent cannabis testing laboratory unless:

197 (A) the department issues at least two licenses to independent cannabis testing
198 laboratories; and

199 (B) the department has ensured that the licensed independent cannabis testing
200 laboratories have sufficient capacity to provide the testing necessary to support the state's
201 medical cannabis market; and

202 (iii) after ceasing department or research university operations under Subsection
203 (14)(a)(ii) shall resume independent cannabis testing laboratory operations at any time if:

204 (A) fewer than two licensed independent cannabis testing laboratories are operating; or

205 (B) the licensed independent cannabis testing laboratories become, in the department's
206 determination, unable to fully meet the market demand for testing.

207 (b) (i) The department shall make rules, in accordance with Title 63G, Chapter 3, Utah
208 Administrative Rulemaking Act, to establish performance standards for the operation of an
209 independent cannabis testing laboratory, including deadlines for testing completion.

210 (ii) A license that the department issues to an independent cannabis testing laboratory
211 is contingent upon substantial satisfaction of the performance standards described in

212 Subsection (14)(b)(i), as determined by the board.

213 (15) (a) A cannabis production establishment license is not transferrable or assignable.

214 (b) If the ownership of a cannabis production establishment changes by 50% or more:

215 (i) the cannabis production establishment shall submit a new application described in

216 Subsection (2)(b), subject to Subsection (2)(c);

217 (ii) within 30 days of the submission of the application, the board shall:

218 (A) conduct the application review described in Section 4-41a-201.1; and

219 (B) award a license to the cannabis production establishment for the remainder of the

220 term of the cannabis production establishment's license before the ownership change if the

221 cannabis production establishment meets the minimum standards for licensure and operation of

222 the cannabis production establishment described in this chapter; and

223 (iii) if the board approves the license application, notwithstanding Subsection (3), the

224 cannabis production establishment shall pay a license fee that the department sets in

225 accordance with Section 63J-1-504 in an amount that covers the board's cost of conducting the

226 application review.

227 Section 2. Section 4-41a-1001 is amended to read:

228 **4-41a-1001. Medical cannabis pharmacy -- License -- Eligibility.**

229 (1) A person may not operate as a medical cannabis pharmacy without a license that

230 the department issues under this part.

231 (2) (a) (i) Subject to Subsections (4) and (5) and to Section 4-41a-1005, the department

232 shall issue a license to operate a medical cannabis pharmacy in accordance with Title 63G,

233 Chapter 6a, Utah Procurement Code.

234 (ii) The department may not issue a license to operate a medical cannabis pharmacy to

235 an applicant who is not eligible for a license under this section.

236 (b) An applicant is eligible for a license under this section if the applicant submits to

237 the department:

238 (i) subject to Subsection (2)(c), a proposed name and address where the applicant will

239 operate the medical cannabis pharmacy;

240 (ii) the applicant's federal tax identification number for the medical cannabis

241 pharmacy;

242 [(†)] (iii) the name [and], address, and federal tax identification number of an

243 individual who:

244 (A) for a publicly traded company, has a financial or voting interest of 10% or greater
245 in the proposed medical cannabis pharmacy;

246 (B) for a privately held company, a financial or voting interest in the proposed medical
247 cannabis pharmacy; or

248 (C) has the power to direct or cause the management or control of a proposed medical
249 cannabis pharmacy;

250 [~~(iii)~~] (iv) for each application that the applicant submits to the department, a statement
251 from the applicant that the applicant will obtain and maintain:

252 (A) a performance bond in the amount of \$100,000 issued by a surety authorized to
253 transact surety business in the state; or

254 (B) a liquid cash account in the amount of \$100,000 with a financial institution;

255 [~~(iv)~~] (v) an operating plan that:

256 (A) complies with Section 4-41a-1004;

257 (B) includes operating procedures to comply with the operating requirements for a
258 medical cannabis pharmacy described in this part and with a relevant municipal or county law
259 that is consistent with Section 4-41a-1106; and

260 (C) the department approves;

261 [~~(v)~~] (vi) an application fee in an amount that, subject to Subsection 4-41a-104(5), the
262 department sets in accordance with Section 63J-1-504; and

263 [~~(vi)~~] (vii) a description of any investigation or adverse action taken by any licensing
264 jurisdiction, government agency, law enforcement agency, or court in any state for any
265 violation or detrimental conduct in relation to any of the applicant's cannabis-related operations
266 or businesses.

267 (c) (i) A person may not locate a medical cannabis pharmacy:

268 (A) within 200 feet of a community location; or

269 (B) in or within 600 feet of a district that the relevant municipality or county has zoned
270 as primarily residential.

271 (ii) The proximity requirements described in Subsection (2)(c)(i) shall be measured
272 from the nearest entrance to the medical cannabis pharmacy establishment by following the
273 shortest route of ordinary pedestrian travel to the property boundary of the community location

274 or residential area.

275 (iii) The department may grant a waiver to reduce the proximity requirements in
276 Subsection (2)(c)(i) by up to 20% if the department determines that it is not reasonably feasible
277 for the applicant to site the proposed medical cannabis pharmacy without the waiver.

278 (iv) An applicant for a license under this section shall provide evidence of compliance
279 with the proximity requirements described in Subsection (2)(c)(i).

280 (d) The department may not issue a license to an eligible applicant that the department
281 has selected to receive a license until the selected eligible applicant complies with the bond or
282 liquid cash requirement described in Subsection [~~(2)(b)(iii)~~] (2)(b)(iv).

283 (e) If the department receives more than one application for a medical cannabis
284 pharmacy within the same city or town, the department shall consult with the local land use
285 authority before approving any of the applications pertaining to that city or town.

286 (3) If the department selects an applicant for a medical cannabis pharmacy license
287 under this section, the department shall:

288 (a) charge the applicant an initial license fee in an amount that, subject to Subsection
289 4-41a-104(5), the department sets in accordance with Section 63J-1-504;

290 (b) notify:

291 (i) the Department of Public Safety of the license approval and the names of each
292 individual described in Subsection [~~(2)(b)(ii)~~] (2)(b)(iii); and

293 (ii) the State Tax Commission of the license approval and the name and federal tax
294 identification numbers of each person described in Subsection (2)(b)(ii) or (iii).

295 (c) charge the licensee a fee in an amount that, subject to Subsection 4-41a-104(5), the
296 department sets in accordance with Section 63J-1-504, for any change in location, ownership,
297 or company structure.

298 (4) The department may not issue a license to operate a medical cannabis pharmacy to
299 an applicant if an individual described in Subsection [~~(2)(b)(ii)~~] (2)(b)(iii):

300 (a) has been convicted under state or federal law of:

301 (i) a felony; or

302 (ii) after December 3, 2018, a misdemeanor for drug distribution;

303 (b) is younger than 21 years old; or

304 (c) after September 23, 2019, until January 1, 2023, is actively serving as a legislator.

305 (5) (a) If an applicant for a medical cannabis pharmacy license under this section holds
306 another license under this chapter, the department may not give preference to the applicant
307 based on the applicant's status as a holder of the license.

308 (b) If an applicant for a medical cannabis pharmacy license under this section holds a
309 license to operate a cannabis cultivation facility under this section, the department may give
310 consideration to the applicant's status as a holder of the license if:

311 (i) the applicant demonstrates that a decrease in costs to patients is more likely to result
312 from the applicant's vertical integration than from a more competitive marketplace; and

313 (ii) the department finds multiple other factors, in addition to the existing license, that
314 support granting the new license.

315 (6) (a) The department may revoke a license under this part:

316 (i) if the medical cannabis pharmacy does not begin operations within one year after
317 the day on which the department issues an announcement of the department's intent to award a
318 license to the medical cannabis pharmacy;

319 (ii) after the third the same violation of this chapter in any of the licensee's licensed
320 cannabis production establishments or medical cannabis pharmacies;

321 (iii) if an individual described in Subsection [~~(2)(b)(ii)~~] (2)(b)(iii) is convicted, while
322 the license is active, under state or federal law of:

323 (A) a felony; or

324 (B) after December 3, 2018, a misdemeanor for drug distribution;

325 (iv) if the licensee fails to provide the information described in Subsection [~~(2)(b)(vi)~~]
326 (2)(b)(vii) at the time of application, or fails to supplement the information described in
327 Subsection (2)(b)(vi) with any investigation or adverse action that occurs after the submission
328 of the application within 14 calendar days after the licensee receives notice of the investigation
329 or adverse action;

330 (v) if the medical cannabis pharmacy demonstrates a willful or reckless disregard for
331 the requirements of this chapter or the rules the department makes in accordance with this
332 chapter; or

333 (vi) if, after a change of ownership described in Subsection (11)(c), the department
334 determines that the medical cannabis pharmacy no longer meets the minimum standards for
335 licensure and operation of the medical cannabis pharmacy described in this chapter.

336 (b) The department shall rescind a notice of an intent to issue a license under this part
337 to an applicant or revoke a license issued under this part if the associated medical cannabis
338 pharmacy does not begin operation on or before June 1, 2021.

339 (7) (a) A person who receives a medical cannabis pharmacy license under this chapter,
340 if the municipality or county where the licensed medical cannabis pharmacy will be located
341 requires a local land use permit, shall submit to the department a copy of the licensee's
342 approved application for the land use permit within 120 days after the day on which the
343 department issues the license.

344 (b) If a licensee fails to submit to the department a copy the licensee's approved land
345 use permit application in accordance with Subsection (7)(a), the department may revoke the
346 licensee's license.

347 (8) The department shall deposit the proceeds of a fee imposed by this section into the
348 Qualified Production Enterprise Fund.

349 (9) The department shall begin accepting applications under this part on or before
350 March 1, 2020.

351 (10) (a) The department's authority to issue a license under this section is plenary and is
352 not subject to review.

353 (b) Notwithstanding Subsection (2), the decision of the department to award a license
354 to an applicant is not subject to:

355 (i) Title 63G, Chapter 6a, Part 16, Protests; or

356 (ii) Title 63G, Chapter 6a, Part 17, Procurement Appeals Board.

357 (11) (a) A medical cannabis pharmacy license is not transferrable or assignable.

358 (b) A medical cannabis pharmacy shall report in writing to the department no later than
359 10 business days before the date of any change of ownership of the medical cannabis
360 pharmacy.

361 (c) If the ownership of a medical cannabis pharmacy changes by 50% or more:

362 (i) concurrent with the report described in Subsection (11)(b), the medical cannabis
363 pharmacy shall submit a new application described in Subsection (2)(b), subject to Subsection
364 (2)(c);

365 (ii) within 30 days of the submission of the application, the department shall:

366 (A) conduct an application review; and

367 (B) award a license to the medical cannabis pharmacy for the remainder of the term of
368 the medical cannabis pharmacy's license before the ownership change if the medical cannabis
369 pharmacy meets the minimum standards for licensure and operation of the medical cannabis
370 pharmacy described in this chapter; and

371 (iii) if the department approves the license application, notwithstanding Subsection (3),
372 the medical cannabis pharmacy shall pay a license fee that the department sets in accordance
373 with Section [63J-1-504](#) in an amount that covers the board's cost of conducting the application
374 review.

375 Section 3. Section **59-7-627** is enacted to read:

376 **59-7-627. Nonrefundable cannabis business expenses credit.**

377 (1) As used in this section:

378 (a) "Medical cannabis" means the same as that term is defined in Section [26B-4-201](#).

379 (b) "Medical cannabis activity" means an activity related to cultivation, processing, or
380 sale of medical cannabis that is permitted under Title 4, Chapter 41a, Cannabis Production
381 Establishments and Pharmacies, by a qualifying taxpayer.

382 (c) "Qualifying taxpayer" means a corporation that holds a license issued in accordance
383 with Section [4-41a-201](#) to operate a cannabis production establishment or Section [4-41a-1001](#)
384 to sell medical cannabis in the state during the taxable year.

385 (2) A qualifying taxpayer may claim a nonrefundable tax credit equal to 1.8%
386 multiplied by Utah taxable income that is related to medical cannabis activity.

387 (3) (a) A qualifying taxpayer may carry forward the amount of the tax credit that
388 exceeds the qualifying taxpayer's tax liability for a period of three years.

389 (b) A qualifying taxpayer may not carry back the amount of the tax credit that exceeds
390 the qualifying taxpayer's tax liability.

391 (4) A qualifying taxpayer may not claim a credit described in Subsection (2) to the
392 extent the qualifying taxpayer claims a business expense for medical cannabis activity as an
393 itemized deduction on the qualifying taxpayer's federal individual income tax return for that
394 taxable year.

395 Section 4. Section **59-10-1048** is enacted to read:

396 **59-10-1048. Nonrefundable cannabis business expenses credit.**

397 (1) As used in this section:

398 (a) "Medical cannabis" means the same as that term is defined in Section 26B-4-201.

399 (b) "Medical cannabis activity" means the same as that term is defined in Section
400 59-7-627.

401 (c) "Pass-through entity income" means income that is derived from or connected with
402 Utah sources related to medical cannabis activity equal to the sum of:

403 (i) business income as defined in Section 59-10-1402; and

404 (ii) nonbusiness income as defined in Section 59-10-1402.

405 (d) "Qualifying claimant" means a pass-through entity taxpayer of a pass-through entity
406 that holds a license issued in accordance with Section 4-41a-201 to operate a cannabis
407 production establishment or Section 4-41a-1001 to sell medical cannabis in the state during the
408 taxable year.

409 (2) A qualifying claimant may claim a nonrefundable tax credit equal to 1.8%
410 multiplied by pass-through entity income.

411 (3) (a) A qualifying claimant may carry forward the amount of the tax credit that
412 exceeds the qualifying claimant's tax liability for a period of three years.

413 (b) A qualifying claimant may not carry back the amount of the tax credit that exceeds
414 the qualifying claimant's tax liability.

415 (4) A qualifying claimant may not claim a credit described in Subsection (2) to the
416 extent the qualifying claimant claims a business expense for medical cannabis activity as an
417 itemized deduction on the qualifying claimant's federal individual income tax return for that
418 taxable year.

419 **Section 5. Effective date.**

420 This bill takes effect on May 1, 2024.

421 **Section 6. Retrospective operation.**

422 The following sections have retrospective operation for a taxable year beginning on or
423 after January 1, 2024:

424 (1) Section 59-7-627, effective May 1, 2024; and

425 (2) Section 59-10-1048, effective May 1, 2024.