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House Bills

HB 74 **Energy Efficient Vehicle Tax Credits**

Amends: 59-7-605, 59-10-1009

Effective: 1/1/2015

Summary:

This bill modifies the amount of income and corporate tax credits that may be claimed for the purchase or lease of energy efficient vehicles by repealing the credits for hybrid vehicles and adding a credit for qualifying electric vehicles and qualifying plug-in hybrid vehicles that are registered in the state; provides that for the 2015 year, the credit for the original purchase of a qualifying electric vehicle is the lesser of \$1,500 or 35% of the purchase price of the vehicle and the credit for the original purchase of a qualifying plug-in hybrid vehicle is \$1,000; modifies a credit for the original purchase of a new vehicle fueled by natural gas or propane and registered in the state to the lesser of \$1,500 or 35% of the purchase price of the vehicle; modifies the credit for conversion equipment to a maximum of \$1,500 per motor vehicle; provides that the air quality board shall certify the amount of the tax credit for which a qualifying vehicle qualifies.

HB 140 **Tax Credit Amendments**

Enacts: 35A-5-301, 35A-5-302, 35A-5-303, 35A-5-304, 35A-5-305, 35A-5-306, 59-7-616, 59-7-901, 59-7-902, 59-7-903, 59-10-1032

Repeals: 59-7-615

Effective: 5/13/2014

This bill enacts nonrefundable corporate and individual income tax credits for tax years beginning on or after January 1, 2015 for the employers of persons who are homeless; provides that the determination of whether an employer qualifies for the credit and the amount of the credit shall be determined by the Department of Workforce Services; provides that, for purposes of determining whether a corporate credit shall be removed from the corporate tax return for lack of use, amounts claimed on the gross receipts tax return shall be included in that calculation; and enacts the Tax Credit for Employment of Persons Who Are Homeless Act, including: defining terms; addressing the procedures and requirements for the Department of Workforce Services to authorize, and a person to claim, a tax credit.

HB 356 **New Convention Facility Development Initiative****Amends:** 59-12-103, 63I-1-263, 63M-1-1403**Enacts:** 17-31-9, 59-7-616, 59-10-1110, 63M-1-3401, 63M-1-3402, 63M-1-3403, 63M-1-3404, 63M-1-3405, 63M-1-3406, 36M-1-3407, 63M-1-3408, 63M-1-3409, 63M-1-3410, 63M-1-3411, 63M-1-3412, 63M-1-3413**Effective:** 7/1/2014 and 1/1/2015

This bill enacts the New Convention Hotel Development Incentive Act; establishes a refundable corporate and individual income tax credit beginning January 1, 2015 for the owner of a new convention hotel or a local government entity in the amount of state and local sales tax revenue generated from sales related to the construction of a new convention hotel and from sales on hotel property, and other local taxes; establishes requirements and criteria for qualifying for a tax credit; establishes a process for applying for and the issuance of a tax credit certificate, including an agreement between the Governor's Office of Economic Development and the hotel owner or local government in which the hotel is located; authorizes a community development and renewal agency of a host local government to receive incremental property tax revenue generated from hotel property during the eligibility period; limits how money derived from a tax credit and incremental property tax revenue may be spent; establishes an independent review committee to review tax credit applications; grants the Governor's Office of Economic Development rulemaking authority to carry out its responsibilities under and to implement provisions of this bill; beginning the second fiscal year after the fiscal year during which the Division of Finance receives notice that construction on a qualified hotel has begun, requires the Division of Finance to, for two consecutive fiscal years, annually deposit \$1.9 million of sales tax revenues into the Hotel Impact Mitigation Fund; requires a county in which a new convention hotel is located to make an annual payment into the Stay Another Day and Bounce Back Account.

Senate Bills

SB 47 Emergency Management Act Amendments

Amends: 59-7-102, 59-7-404.5, 59-10-403, 59-12-104

Enacts: 53-2a-1201, 53-2a-1202, 53-2a-1203, 53-2a-1204, 53-2a-1205, 59-10-116.1

Effective: **Multiple effective dates**

This bill defines an out-of-state business and provides that an out-of-state business that enters the state during a declared disaster or emergency to conduct work related to the disaster or emergency is exempt from licensing or registration requirements; provides: (1) retrospective to January 1, 2014, an out-of-state business is exempt from corporate tax and from withholding requirements for its employees for income earned during a disaster period and for the purpose of responding to the disaster, (2) retrospective to January 1, 2014, an out-of-state employee is exempt from individual income tax on income earned or passed through from an out-of-state business during a disaster period and for the purpose of responding to the disaster, (3) effective July 1, 2014, a sales tax exemption for property stored, used, or consumed in the state that is temporarily brought into the state during a period of disaster by an out-of-state business for disaster-related work and (4) effective May 13, 2014, property brought into the state temporarily is not subject to property tax; provides that any out-of-state business or out-of-state employee that remains in the state after the disaster period is subject to the state's normal standards for establishing presence or residency, or doing business in the state; and requires any out-of-state business that enters the state for disaster- or emergency-related work to provide the Division of Occupational and Professional Licensing a statement about the purpose of its business in the state, upon request.

SB 155 Apportionment of Income Amendments

Amends: 59-7-302

Effective: 1/1/2014

This bill amends the test for determining whether a taxpayer is a sales factor weighted taxpayer to not include a taxpayer's economic activities classified in a NAICS code within NAICS Industry Group 2212, Natural Gas Distribution.

SB 207 Corporate Franchise and Income Tax Amendments

Amends: 59-7-106

Effective: 1/1/2014

This bill enacts a subtraction from unadjusted income for an increase in income for federal income tax purposes due to claiming a federal qualified tax credit bond credit or a federal qualified zone academy bond.

SB 224 Renewable Energy Tax Credit Amendments**Amends:** 59-7-614**Effective:** 1/1/2015

This bill enacts a new corporate refundable tax credit for a commercial energy system located in the state that is completed and placed in service on or after January 1, 2015 and capable of producing a total of 660 or more kilowatts of electricity; the credit is 0.35 cents per kilowatt hours of electricity produced and either used or sold during the taxable year.

SB 233 Economic Development and the Utah Small Business Jobs Act**Amends:** 31A-3-102, 59-7-102, 63I-1-263, 63M-1-903**Enacts:** 59-9-107, 63M-1-3401, 63M-1-3402, 63M-1-3403, 63M-1-3404, 63M-1-3405, 63M-1-3406, 63M-1-3407, 63M-1-3408, 63M-1-3409, 63M-1-6410, 63M-1-3411, 63M-1-3412**Effective:** 9/2/2014

This bill provides that an insurer is exempt from corporate tax if the insurer is subject to insurance premium taxes; establishes a nonrefundable tax credit against insurance premium tax liability as determined by the Governor's Office of Economic Development beginning January 1, 2017; provides a sunset date; enacts the Utah Small Business Jobs Act, including: defining terms; providing for the certification of qualified equity investments; granting rulemaking authority to the office; allowing for recapture of the tax credit after a time to cure; requiring under certain circumstances a refundable performance deposit; creating the Small Business Jobs Performance Guarantee Account; establishing investment requirements; providing for ceasing of certification; imposing limitations on fees being paid; imposing new capital requirements; and requiring reporting.

SB 242 Alternative Energy Amendments**Amends:** 59-12-102, 63M-4-503**Effective:** Multiple effective dates, retrospective to 1/1/2014

This bill requires an alternative energy entity to certify that it plans to produce at least 250 barrels per day if the alternative energy project is a biomass energy fuel production in order to qualify for corporate and income tax credits; effective July 1, 2014, amends the definitions of alternative energy and biomass energy for purposes of the sales tax exemptions relating to alternative energy.