

November 4, 2008

Senator Wayne L. Niederhauser, Senate Chair
W115 State Capitol Complex
Salt Lake City, Utah 84114

Representative John Dougall, House Chair
State Capitol Complex W030
Salt Lake City, Utah 84114

Members of the Revenue and Taxation Interim Committee
c/o Bryant Howe
Legislative Research and General Counsel
W210 State Capitol Complex
Salt Lake City, Utah 84114

Dear Senator Niederhauser, Representative Dougall, and Committee Members:

Sections 59-7-615 and 59-10-135 require the Tax Commission to remove a nonrefundable tax credit from the corporate or individual income tax return if, for three consecutive taxable years: (1) the total amount of the credit claimed is less than \$10,000; and (2) less than 10 persons file a return claiming the credit. The credit is removed from the return two taxable years after the taxable year in which the above criteria is satisfied.

The Tax Commission is required to report on or before the November meeting of the Revenue and Taxation Interim Committee when a nonrefundable credit meets the criteria for removal from the corporate or individual income tax return.

The credit against corporate tax for historic preservation (Section 59-7-609) meets the criteria for removal and will be removed from the 2009 corporate tax return.

In addition, pursuant to Section 59-10-551, the Tax Commission is required to report on or before the November meeting of the Revenue and Taxation Interim Committee when an individual income tax contribution has generated less than \$30,000 per year of contributions for three consecutive years.

The contribution is removed from the return two taxable years after the taxable year in which the above criteria is satisfied.

No contribution meets the criteria for removal in the 2009 taxable year.

The contribution for the Wolf Depredation and Management Restricted Account met the criteria for removal last year and will be removed from the 2008 individual income tax return.

Sincerely,

Pam Hendrickson
Commission Chair