Schedule A — Utah Net Taxable Income and Tax Calculation

Line 1 — Unadjusted Income (Loss)
Enter the federal taxable income or loss (before net operating loss deduction and special deductions) from line 28 of your federal form 1120.

If any member of the unitary group is a “controlling entity of a captive real estate investment trust,” include taxable income from line 20 of each federal form 1120-REIT on this line. A “controlling entity of a captive real estate investment trust” is an entity that: (1) is treated as an association taxable as a corporation under the Internal Revenue Code; (2) is not exempt from federal income tax under IRC §501(a); and (3) directly, indirectly or constructively holds more than 50 percent of the voting power or value of shares or beneficial interests of a captive real estate investment trust.

Line 2 — Additions to Unadjusted Income
Enter the total additions from Schedule B, line 15.

Line 3 — Add line 1 and line 2

Line 4 — Subtractions from Unadjusted Income
Enter the total subtractions from Schedule C, line 16.

Line 5 — Adjusted Income (Loss)
Subtract line 4 from line 3.

Line 6 — Utah Net Nonbusiness Income
Enter the nonbusiness income allocated to Utah from Schedule H, line 14.

Line 7 — Non-Utah Net Nonbusiness Income
Enter the nonbusiness income allocated outside Utah from Schedule H, line 28.

Line 8 — Total Nonbusiness Income
Add line 6 and line 7.

Line 9 — Apportionable Income (Loss) Before Contributions Deduction
Subtract line 8 from line 5.

Line 10 — Utah Contributions Deduction
Enter the amount of Utah contributions allowable for the taxable year from Schedule D, line 6.

Line 11 — Apportionable Income (Loss)
Subtract line 10 from line 9.

Line 12 — Apportionment Fraction (Decimal)
Enter 1.000000, or the fraction (decimal) from Schedule J, line 9, 13 or 14, if applicable.

Line 13 — Apportioned Income (Loss)
Multiply the apportionable income on line 11 by the apportionment fraction on line 12.

Line 14 — Utah Net Nonbusiness Income
Enter the amount from line 6, above.

Line 15 — Utah Income (Loss) Before Utah Net Loss Deduction
Add line 13 and line 14.

If there is a Utah net loss on line 15, the corporation must carry the loss back to the three preceding years (subject to the $1,000,000 limitation), unless an election was made to forego the federal loss carryback and carry the federal loss forward. If an election is made to forego the federal net operating loss carryback, the federal election is considered made also for Utah tax purposes unless the corporation makes a specific election to carry back the loss for Utah purposes. Enter an “X” in the appropriate field:

Yes, to forego the Utah net loss carryback, or
No, to treat the Utah net loss as a carryback.

If neither box is X’d, the Utah net loss must be carried back to the earliest of the three preceding tax years. If not entirely used to offset income of that year, it must be carried to the second year preceding the loss year. Any remaining loss must be carried to the taxable year immediately preceding the loss year. Any remaining loss should be carried forward.

Submit form TC-20L, Utah Application for Refund from a Corporation Loss Carryback, to claim any refund resulting from a Utah net loss carryback. Do not submit an amended return for the purpose of claiming a loss carryback.

Line 16 — Utah Net Loss Carried Forward from Prior Years
Losses that remain after all carrybacks have been applied may be carried forward for fifteen taxable years following the taxable year of the loss.

Attach documentation to the return to support the loss amounts carried forward on Schedule A, line 16.

Line 17 — Net Utah Taxable Income (Loss)
Subtract line 16 from line 15.

Line 18 — Tax Amount
Enter the greater of line 18a or line 18b.

Line 18a
Multiply line 17 by 5% (.05). Do not enter an amount less than zero.

Line 18b
Enter the total minimum tax from Schedule M, line b. If Schedule M does not apply, enter $100.

Line 19 — Interest on Installment Sales
Generally, interest must be paid on the deferred tax related to installment sales if the contract was entered into on or after Jan. 1, 1994.
The interest rate must be determined according to IRC §453A. Enter the interest as an additional tax on Schedule A, line 19.

The deferred tax liability for Utah purposes must be calculated in a manner similar to that outlined in IRC §453A(c), except:
1. The tax rate applied must be 5 percent; and
2. In the case of multi-state corporations, the amount of Utah gain that has not been recognized must be determined by multiplying the deferred gain that has not been recognized for federal purposes by the current year apportionment fraction.

**Line 20 – Recapture of Low-Income Housing Credit**

Owners of a low-income housing project and other taxpayers who have taken the low-income housing credit and disposed of the building or an ownership interest may be required to recapture any credits that reduced their tax liability in a previous year. See Utah form TC-40LIC for instructions on calculating the low-income housing credit recapture tax. Attach a supporting schedule showing the calculation of the credit recaptured. Get form TC-40LIC online at tax.utah.gov/forms-pubs/forms.

**Line 21 – Total Tax**

Add the amounts on lines 18, 19 and 20. Carry this total to Schedule A, page 2, line 22.

**Line 22**

Enter the total tax from Schedule A, page 1, line 21.

**Line 23 – Nonrefundable Credits**

Nonrefundable credits cannot be used to pay the minimum tax and cannot result in a refund.

If you claim any of the following nonrefundable credits, write the code and amount of each credit you claim on lines 23a through 23f. Enter the sum of all nonrefundable credits on line 23. An explanation of each nonrefundable credit is listed below.

---

**Use these codes for lines 23a through 23f**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>05</td>
<td>Clean Fuel Vehicle Credit</td>
</tr>
<tr>
<td>06</td>
<td>Historic Preservation Credit</td>
</tr>
<tr>
<td>07</td>
<td>Enterprise Zone Credit</td>
</tr>
<tr>
<td>08</td>
<td>Low-income Housing Credit</td>
</tr>
<tr>
<td>09</td>
<td>Carryforward of Prior Credit for Employers Who Hire Persons with Disabilities</td>
</tr>
<tr>
<td>10</td>
<td>Recycling Market Development Zone Credit</td>
</tr>
<tr>
<td>12</td>
<td>Credit for Increasing Research Activities in Utah</td>
</tr>
<tr>
<td>13</td>
<td>Carryforward Credit for Machinery and Equipment Used to Conduct Research</td>
</tr>
<tr>
<td>15</td>
<td>Utah Municipal, U.S. and Agency Bond Interest Credit</td>
</tr>
<tr>
<td>16</td>
<td>Utah Steam Coal Credit Carryforward</td>
</tr>
<tr>
<td>21</td>
<td>Renewable Residential Energy Systems Credit</td>
</tr>
<tr>
<td>27</td>
<td>Veteran Employment Tax Credit</td>
</tr>
<tr>
<td>28</td>
<td>Employing Persons Who are Homeless Tax Credit</td>
</tr>
</tbody>
</table>

---

**(05) Clean Fuel Vehicle Credit (UC §59-7-605)**

The Utah Division of Air Quality may authorize a tax credit for the purchase or lease of a clean fuel vehicle or the purchase of equipment to convert a vehicle to clean fuel. The credit may only be claimed once per vehicle. See form TC-40V, Clean Fuel Vehicle Tax Credit, for more information.
(08) Low-Income Housing Credit (UC §59-7-607)

Individuals sharing in the credit must obtain form TC-40TCAC, Utah Low-Income Housing Tax Credit Allocation Certification and complete form TC-40LI, Summary of Utah Low-Income Housing Tax Credit. Do not send these forms with your return. Keep the forms and all related documents with your records.

The building project owner must complete and attach form TC-40LIS, Utah Credit Share Summary of Low-Income Housing Project to the return.

This credit is an amount determined by the Utah Housing Corporation for owners of a low-income housing project who have received an allocation of the federal low-income housing tax credit.

When this credit applies, the project owner will provide form TC-40TCAC (issued by the Utah Housing Corporation) to the taxpayer.

Note: Any credit that is more than the tax liability may be carried back for the previous three years, or carried forward for five years. If you are carrying this credit forward or backward, you must also complete form TC-40LIC, Utah Low-Income Housing Tax Credit Carryback and/or Carryforward.

If the low-income housing credit was claimed and the building or ownership interest was subsequently disposed of, recapture of the credit may be required. See Recapture of Low-Income Housing Credit on page 9.

For more information, contact:
Utah Housing Corporation
2479 S Lake Park Blvd.
West Valley City, UT 84120
801-902-8200
utahhousingcorp.org

(09) Carryforward of Prior Credit for Employers Who Hire Persons with Disabilities (UC §59-7-608)

The tax credit for hiring persons with disabilities is no longer available for corporate taxpayers. However, the credit had a two-year carryforward provision. To claim unused credit carryforwards, enter the allowable amount and use code 09. The carryforward will expire after 2015.

(10) Recycling Market Development Zone Credit (UC §59-7-610)

A business may not claim the recycling market development zone credit or carry it forward into a year the business has claimed either the enterprise zone credit (nonrefundable credit, code 07) or targeted business tax credit (refundable credit, code 40).

The credit is available for purchases of qualified machinery and equipment and for other qualified expenditures made by individuals and businesses operating in a designated recycling market development zone.

Complete form TC-40R, Recycling Market Development Zone Tax Credit, with the Governor’s Office of Economic Development certification, verifying the credit is approved. Do not send form TC-40R with your return. Keep the form and all related documents with your records.

Note: Any credit that is more than the tax liability may be carried forward for the next three years.

For more information, contact:
Governor’s Office of Economic Development
60 E South Temple, 3rd Floor
PO Box 146950
Salt Lake City, UT 84114-6950
801-538-8804
business.utah.gov/programs/incentives/recycling-zones

(12) Credit for Increasing Research Activities in Utah (UC §59-7-612)

The credit is:

1. 5 percent of your qualified expenses for increasing research activities in Utah above a base amount,
2. 5 percent of certain payments made to a qualified organization increasing basic research in Utah above a base amount, and
3. 7.5 percent of your qualified research expenses in a taxable year beginning on or after Jan. 1, 2012.

Note: Any credit for 1 or 2 above that is more than the tax liability may be carried forward for the next 14 taxable years. Any credit for 3 above may not be carried forward.

There is no form for this credit. Keep all related documents with your records.

(13) Carryforward of Prior Year Credit for Machinery and Equipment Used to Conduct Research (UC §59-7-613)

This credit expired for taxable years beginning after 2010.

If you claimed a credit on your return for machinery and/or equipment used to conduct research for a year after 1998 and prior to 2011 and the credit was more than the tax liability for the year, you may carry forward the excess credit to the next 14 years and use it to offset tax until used up. If you are using any remaining credit this year, enter that carryforward amount on Schedule A, page 2, line 23 (23a through 23f). Use code 13.

(15) Utah Municipal, U.S. and Agency Bond Interest Credit (UC §59-7-601)

A credit of 1 percent of Utah municipal interest and federal interest included in Utah taxable income will be allowed. For multi-state corporations, the amount of Utah municipal and federal interest included in Utah taxable income is calculated by multiplying the total amount of that interest by the current year apportionment fraction.

Attach a schedule showing the calculation of the credit. Keep a copy of the schedule and all related documents with your records.

Note: Any credit that is more than the tax liability may be carried back to the previous three years, or carried forward for five years.

(16) Utah Steam Coal Credit Carryforward

This credit was repealed for tax years beginning after Dec. 31, 2001. The carryforward for unused credits will expire after 2016.
(21) Renewable Residential Energy Systems Credit
(UC §59-7-614)

This credit is for reasonable costs, including installation, of a residential energy system that supplies energy to a residential unit in Utah. If the residence is sold to a non-business entity before claiming the tax credit, you may irrevocably transfer the right to the tax credit to the new owner. Additional residential energy systems or parts may be claimed in following years as long as the total amount claimed does not exceed $2,000 per residential unit. The principal portion of the system’s lease payments may qualify for the credit, if the lessor irrevocably elects not to claim the credit.

Note: Any credit that is more than the tax liability may be carried forward for the next four years.

Get form TC-4OE, Renewable Residential and Commercial Energy Systems Tax Credits, from the Governor’s Office of Energy Development with their certification stamp, verifying the credit is approved and showing the amount of the approved credit. Do not send form TC-4OE with your return. Keep the form and all related documents with your records.

For more information, contact:
Governor’s Office of Energy Development (GOED)
60 E South Temple, Suite 300
PO Box 144845
Salt Lake City, UT 84114-4845
801-538-8732
energy.utah.gov/funding-incentives/financing-for-infrastructure

(24) Carryforward of Qualifying Solar Project Credit
(UC §59-7-614.3)

The solar project tax credit is no longer available for corporate taxpayers, however, the credit had a four-year carryforward provision. To claim unused credit carryforwards, enter the allowable amount and use code 24. The carryforward will expire after 2017.

(27) Veteran Employment Tax Credit
(UC §59-7-614.9)

A nonrefundable credit is available to taxpayers who hire a qualified recently deployed veteran on or after Jan. 1, 2012.

A qualified recently deployed veteran is an individual who was mobilized to active federal military service in an active or reserve component of the United States Armed Forces, and received an honorable or general discharge within the two-year period before the employment begins.

To qualify for the credit, the qualified veteran must meet all of the following conditions:
1. Received an honorable or general discharge within the two-year period before the employment begins.
2. Was collecting or was eligible to collect unemployment benefits, or has exhausted their unemployment benefits within the last two years, under Title 35A, Chapter 4, Part 4, Benefits and Eligibility.
3. Worked for the taxpayer for at least 35 hours per week for not less than 45 of the next 52 weeks following the veteran’s employment start date.

The credit is claimed beginning in the year the 45 consecutive weeks in paragraph 3 above are met.

Calculation for Veteran Employment Tax Credit

First Year Credit (count all months in the year the 45 week requirement is met):
1. Number of months or partial months veteran employed in first year
2. Monthly credit allowable in first year
3. First year credit – line 1 times line 2 (maximum $2,400)

Second Year Credit:
4. Number of months or partial months veteran employed in second year
5. Monthly credit allowable in second year
6. Second year credit – line 4 times line 5 (maximum $4,800)

Any credit in excess of tax due will not be refunded, but may be carried forward to offset tax for up to five years.

The following documentation for the qualified recently deployed veteran must be retained by the taxpayer to support the credit claimed, and made available to the Tax Commission upon request:
1. Veteran’s name, last known address, and taxpayer identification or Social Security number.
2. Start date of employment.
3. Documentation establishing that the veteran was employed for not less than 45 of the next 52 weeks following the date of employment.
4. Documentation provided by the recently deployed veteran’s military service unit establishing that the veteran is a recently deployed veteran.
5. A signed statement from the Department of Workforce Services that the recently deployed veteran was collecting, was eligible to collect, or exhausted their unemployment benefits within the last two years.

(28) Employing Persons Who Are Homeless Tax Credit
(UC §59-7-617)

You may claim a tax credit of up to $2,000 for hiring a homeless person if you receive a tax credit certificate from the Department of Workforce Services. A homeless person is someone whose primary nighttime residence is a permanent housing, permanent supportive, or transitional facility.

Do not send the certificate with your return. Keep the certificate and all related documents with your records.

Note: Any credit that is more than the tax liability may be carried forward for the next five years.

For more information contact:
Department of Workforce Services
140 E 300 S
P.O. Box 142503
Salt Lake City, UT 84111-2503
801-526-9388
1-800-859-3203
wotec@utah.gov
Line 24 – Net Tax
Subtract line 23 from line 22. Enter the result, but not less than the minimum tax shown on line 18b or less than zero.

Line 25 – Utah Use Tax
Use tax is a tax on goods and taxable services purchased for use, storage or other consumption in Utah. Use tax applies only if sales tax was not paid at the time of purchase. If you purchased an item from an out-of-state seller (including Internet, catalog, radio and TV purchases) and the seller did not collect sales tax on that purchase, you must pay the use tax directly to the Tax Commission.

If you have a Utah sales tax license/account, report the use tax on your sales tax return. If you do not have a Utah sales tax license/account, report the use tax on line 25 of TC-20, Schedule A.

You may take a credit for sales or use tax paid to another state (but not a foreign country). If the other state’s tax rate is lower than Utah’s, you must pay the difference. If the other state’s tax rate is more than Utah’s, no credit or refund is given. If sales tax was paid to more than one state, complete the worksheet below for each state. Add lines 8 on all worksheets and enter the total on line 25.

Sales and use tax rates vary throughout Utah. Use the Use Tax Rate Chart below to get the rate for the location where the merchandise was delivered, stored, used or consumed. Use the county tax rate if the city is not listed.

Grocery food bought through the Internet or catalog is taxed at 3 percent. The grocery food must be sold for ingestion or chewing by humans and consumed for the substance’s taste or nutritional value. The reduced rate does not apply to alcoholic beverages or tobacco. See Pub 25 online at tax.utah.gov/forms-pubs/pubs for more information.

Worksheet for Computing Utah Use Tax on Line 25

1. Amount of purchases (except grocery food) subject to use tax 1 _______
2. Use tax rate (decimal from Use Tax Rate Chart) 2 _______
3. Multiply line 1 by line 2 3 _______
4. Amount of grocery food purchases subject to use tax 4 _______
5. Multiply line 4 by 3% (.03) 5 _______
6. Add line 3 and line 5 6 _______
7. Credit for sales tax paid to another state on use tax purchases 7 _______
8. Use tax due (subtract line 7 from line 6) 8 _______

Line 26 – Total Tax
Add line 24 and line 25. Carry this amount to TC-20, page 1, line 7.

Line 27 – Refundable Credits
Add lines 27a through 27d.

Claim any of the following refundable credits that apply. Write the code and amount of each credit you are claiming on lines 27a through 27d. Enter the sum of these credits on line 27. Each refundable credit is explained below.

Codes for lines 27a through 27d
39 - Renewable Commercial Energy Systems Tax Credit
40 - Targeted Business Tax Credit
43 - Pass-through Entity Withholding Tax Credit
46 - Mineral Production Withholding Tax Credit
47 - Agricultural Off-highway Gas/Undyed Diesel Fuel Tax Credit
48 - Farm Operation Hand Tools Credit
(39) **Renewable Commercial Energy Systems Tax Credit** *(UC §59-7-614)*

Get form TC-40E, *Renewable Residential and Commercial Energy Systems Tax Credits*, from the Governor's Office of Energy Development with their certification stamp. Do not send this form with your return. Keep the form and all related documents with your records.

For more information, contact:

Governor's Office of Energy Development (GOED)  
60 E South Temple, Suite 300  
PO Box 144845  
Salt Lake City, UT 84114-4845  
801-538-8732  
[energy.utah.gov/funding-incentives/financing-for-infrastructure](energy.utah.gov/funding-incentives/financing-for-infrastructure)

(40) **Targeted Business Tax Credit** *(UC §63N-2-305)*

A business may not claim the targeted business tax credit in the same year the business claims the enterprise zone credit (nonrefundable credit, code 07) or the recycling market development zone credit (nonrefundable credit, code 10).

A refundable credit is available to businesses providing a community investment project as defined in UC §§63N-2-302 through 63N-2-304. Get a certified copy of form TC-40TB, *Targeted Business Tax Credit*. Keep this form and all related documents with your records.

To obtain form TC-40TB, certification, and for more information, contact:

Governor's Office of Economic Development  
60 E South Temple, 3rd Floor  
PO Box 146950  
Salt Lake City, UT 84114-6950  
801-538-8804  
[business.utah.gov/programs/incentives/enterprise-zones](business.utah.gov/programs/incentives/enterprise-zones)

(43) **Pass-through Entity Withholding Tax Credit** *(UC §59-7-614.4)*

If a pass-through entity is required to withhold Utah income tax on any income attributable to this corporation under §59-10-1403.2, the pass-through entity must provide a Utah Schedule K-1 showing the amount of Utah withholding paid on behalf of this corporation. Enter this amount as a refundable credit using code 43.

Attach copies of Utah Schedule K-1(s) to the return to receive proper credit.

(46) **Mineral Production Withholding Tax Credit** *(UC §59-6-102)*

Enter the total of the mineral production tax withheld as shown on forms TC-675R or Utah Schedule K-1(s) for the tax year. For a fiscal year corporation, the credit is claimed on the corporate return that is required to be filed during the year following the December closing period of the form TC-675R.

Attach copies of form TC-675R or Utah Schedule K-1(s) to the return to receive proper credit.

(47) **Agricultural Off-Highway Gas/Undyed Diesel Fuel Tax Credit** *(UC §59-13-202)*

You may claim a credit of 24.5 cents per gallon for motor fuel and undyed diesel fuel bought in Utah to operate stationary farm engines and self-propelled farm machinery used solely for commercial non-highway agricultural use if the fuel was taxed at the time it was bought.

This does not include (but is not limited to) the following: golf courses, horse racing, boat operations, highway seeding, vehicles registered for highway use, hobbies, personal farming, etc.

**Credit calculation:**

\[
\text{Gallons} \times .245 = \text{Credit}
\]

There is no form for this credit. Keep all related documents with your records.

(48) **Farm Operation Hand Tools Credit** *(UC §59-7-614.1)*

This credit is for sales and use tax paid on hand tools purchased and used or consumed primarily and directly in a farming operation in Utah. The credit only applies if the purchase price of a tool is more than $250.

There is no form for this credit. Keep all related documents with your records.

**Line 28 – Prepayments from Schedule E**

Credit is allowed for advance payments made as quarterly estimated tax payments, prepayments and extension payments (form TC-559). Include any overpayment from a prior year that was applied to this year. Use Schedule E to compute the total prepayment.

**Line 29 – Amended Return Only**

This line is only for an amended return. Enter the amount of tax paid with the original return and/or subsequent payments made prior to filing this amended return less any previous refunds (exclude refund interest). A net refund should be entered as a negative amount (preceded by a minus sign).

**Line 30 – Total Refundable Credits and Prepayments**

Add lines 27 through 29. Carry this amount to TC-20, page 1, line 8.