

# Utah State Tax Commission Tax and Revenue



# Utah State Tax Commission

- Monthly webinars of various tax topics.
- Ability to access the recording and presentation after the event.
- Free to all attendees.



# Utah State Tax Commission Monthly Webinars

[tax.utah.gov/business/training/webinars/#past](https://tax.utah.gov/business/training/webinars/#past)

## Tax Webinars & Videos

Each month, the Tax Commission holds live public webinars on various tax topics, with access to the recording after the event. We'll also add other training items here as needed. The links will appear below as they're available.

### Next Webinar

#### ✔ Taxpayer Access Point

When: **Thursday February 19, 2026**

Time: **10:00am, Mountain Time**

Description: Join us to look at the ins and out of the Taxpayer Access Point (TAP) System. We will talk about the registration process as well as the many functions that can be performed through our portal.

[Register](#)

### Upcoming Webinars & Trainings

FEB 10:00 am - 11:00 am  
**19 February Monthly Webinar – Taxpayer Access Point**

MAR 10:00 am - 11:00 am  
**19 Utah State Tax Commission Monthly Webinar**

[View Calendar](#)

[View a list of previous trainings.](#)

## Previous Webinars and Trainings

Information presented in past webinar recordings is current as of the date of the recording and may not reflect legislative and other subsequent changes. For the most up-to-date information, please refer to [News and Publications](#) and our [Recent Info and Tax Law Changes](#) page.

Date	Title	Category/Tax Type	Video Link
2025-11-20	Utah Employer Withholding Taxes - Submitting Withholding Documents	Withholding Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-10-16	Utah Sales Tax Compliance Topics	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-09-18	Utah Individual Income Additions and Subtractions from Income	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-08-21	Special Events Sales Tax – Promoters and Vendors	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-07-17	Utah Tax Collection Topics	Collections	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-06-19	Sales Tax Resources and Publications	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-05-15	What is Taxable and What is Exempt from Sales Tax	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-04-17	Sales Tax Licensing Requirements and Application Process	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-03-27	Income Tax Credit Review Part-2	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-02-20	Income Tax Credit Review Part-1	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2025-01-16	What's new for the 2024 Income Tax season	Income Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>
2024-12-19	Construction Industry Sales and Use Tax	Sales Tax	<a href="#">Video Link</a>   <a href="#">PDF</a>



# Individual Income Tax Audits and Common Errors



# Audit/Exam Process

## Request Letter

- Request return be filed, request verification, propose changes, etc.
- Documents/info exchanged, communication between examiner & taxpayer
- 30-day response date is flexible

## Cancellation Letter

- Sent to taxpayer if requested information is provided & no changes are needed to return

## Notice of Deficiency

- Notice sent that shows changes to return and amount due
- 30-day deadline is firm/strict
- Must pay or file appeal within 30 days



# Audit Categories

- Federal Tape Mismatch
- CP2000 / Revenue Agent Report
- State-Only Line Items
- Non-filers



# Federal Tape Mismatch

Some line items on the Utah return come directly from lines on the federal return. These amounts must match and sometimes they don't match for various reasons. An audit is created when they don't match and making the adjustment would result in material tax due.

Those items include:

- Federal Adjusted Gross Income
- Prior year state tax refund - Itemizers
- Number of Exemptions / Dependents
- Standard / Itemized Deductions
- State Tax Addback
- Filing Status



# Federal Tape Mismatch



Utah State Tax Commission  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: tax.utah.gov

REQUEST FOR VERIFICATION - Federal Return Comparison



Letter Issue Date  
February 26, 2026

Response Required Before  
March 30, 2026

Letter ID

Account Type  
Individual Income Tax (IIT)

Account ID

Period  
Dec-2023

AUD  
AUD

The Auditing Division compared your 2023 Utah individual income tax return with your 2023 federal income tax return. This comparison shows a difference. Proposed changes to your Utah return are listed below.

Line Item in Question	Utah Income Tax Return	Proposed Amount Based on your Federal Return
Federal Adjusted Gross Income	\$22,382	\$5,043,431

Check one of the following boxes to indicate whether you agree or disagree with the proposed changes:

If you **agree** with the proposed changes, mail us a copy of this letter with this box checked before **March 30, 2026**. We will adjust your return and send you a Notice of Deficiency.

If you **disagree** with the proposed changes listed above, send in the following information before **March 30, 2026**:

1. A copy of this letter.
2. A complete copy of your original federal income tax return, including all schedules, attachments, W-2s, 1099s, and K-1s.
3. Copies of any amended 2023 federal tax returns and an explanation of items changed on your amended federal return.
4. Copies of all Internal Revenue Service letters regarding your 2023 federal tax return.
5. Your daytime telephone number in case we need to contact you, ( ) \_\_\_\_\_

Unless we hear from you, we will adjust your 2023 Utah individual income tax return. If you disagree with the proposed changes and provide additional information, your return may still be adjusted. An adjustment to your return may result in additional tax, interest, and penalty (if applicable) that you will owe.



Utah State Tax Commission  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: tax.utah.gov

REQUEST FOR VERIFICATION - Federal Return Comparison



Letter Issue Date  
March 10, 2026

Response Required Before  
April 9, 2026

Letter ID

Account Type  
Individual Income Tax (IIT)

Account ID

Period  
Dec-2022

AUD  
AUD

The Auditing Division compared your 2022 Utah individual income tax return with your 2022 federal income tax return. This comparison shows a difference. Proposed changes to your Utah return are listed below.

Line Item in Question	Utah Income Tax Return	Proposed Amount Based on your Federal Return
Personal Exemptions Deduction	\$3,604	\$1,802
Federal Adjusted Gross Income	\$59,902	\$162,305
Filing Status	Head of Household	Married Joint
Total Number of Exemptions	2	1

Check one of the following boxes to indicate whether you agree or disagree with the proposed changes:

If you **agree** with the proposed changes, mail us a copy of this letter with this box checked before **April 9, 2026**. We will adjust your return and send you a Notice of Deficiency.

If you **disagree** with the proposed changes listed above, send in the following information before **April 9, 2026**:

1. A copy of this letter.
2. A complete copy of your original federal income tax return, including all schedules, attachments, W-2s, 1099s, and K-1s.
3. Copies of any amended 2022 federal tax returns and an explanation of items changed on your amended federal return.
4. Copies of all Internal Revenue Service letters regarding your 2022 federal tax return.
5. Your daytime telephone number in case we need to contact you, ( ) \_\_\_\_\_

Unless we hear from you, we will adjust your 2022 Utah individual income tax return. If you disagree with the proposed changes and provide additional information, your return may still be adjusted. An adjustment to your return may result in additional tax, interest, and penalty (if applicable) that you will owe.



# CP2000 – Unreported Income Audits


Automated unreported income audits originally assessed by IRS. The IRS forwards this information to the states. We adjust the Utah return if an amended return wasn't filed or it was not corrected with the IRS.

Common income items not reported on tax returns:

- Wages
- Unemployment compensation
- Stocks/bonds sales
- Debt cancelation
- Retirement distributions



# CP2000 – Unreported Income Audits



**Utah State Tax Commission**  
210 N 1950 W SALT LAKE CITY UT 84134-2100  
Website: tax.utah.gov

Letter Issue Date: March 2, 2026  
Make Payment By: April 1, 2026

Letter ID: [REDACTED]  
Account Type: Individual Income Tax (IIT)  
Account ID: [REDACTED]  
Period: Dec-2022

TAXPAYER ACCESS POINT  
**TAP**  
tap.utah.gov

## Notice of Deficiency and Audit Change

The Income Tax & Education Division reviewed your 2022 Utah individual income tax return. Information from the Internal Revenue Service (IRS) shows your federal taxable income increased. Your Utah income tax return was adjusted based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$5,362.00  
Audit Interest Due (04/18/2023 - 04/01/2026): \$966.92  
Audit Penalties Due: \$0.00

**Audit Total Due: \$6,328.92**

The following adjustment(s) were made to your 2022 Utah individual income tax return:

Item(s) Changed on Utah Return	Original	Revised	Change
Federal Adjusted Gross Income	112,173	212,413	100,240

The IRS provided the Income Tax & Education Division a list of possible sources of your unreported income. Refer to the attached list. This list may include income that was previously claimed on your 2022 federal return.

This notice only reflects tax, interest, and penalty (if applicable) assessed from the audit and does not include any previous payment or tax liabilities for 2022. For information about the interest calculation, visit our website at tax.utah.gov.

### Paying the Audit


The full payment for the audit adjustment(s) must be received by **April 1, 2026**. You may pay online at [tap.utah.gov](http://tap.utah.gov). Bank account (ACH Debit) payments are free, or pay using a credit/debit card (fee applies; we accept Discover, Visa, MasterCard, and American Express).

You may also pay by check or money order payable to the Utah State Tax Commission. Return the coupon (bottom portion of this notice) and your payment in the enclosed envelope.

You can contact the Collections Division at 801-297-7703 if you cannot pay the total audit amount due. They can help you set up a payment plan.

### Contesting the Audit

If you do not agree with the audit, you may appeal directly to the Tax Commission. For more information, refer to the enclosed Appeal Instructions.



**Utah State Tax Commission**  
210 N 1950 W SALT LAKE CITY UT 84134-2100  
Website: tax.utah.gov

Letter ID: [REDACTED]  
March 2, 2026

## Unreported Income Sources

Below is a list of possible sources of your unreported income the IRS provided. This list may include income that was previously claimed on your 2022 federal return.

Possible Sources of Unreported Income	Form	Type of Payment	Amount
THRIFT SAVINGS PLAN	1099-R	FEDERAL INCOME TAX WITHHELD	\$20,000
		GROSS DISTRIBUTION	100,000
		TAXABLE AMOUNT	100,000
HEALTHEQUITY CORPORATE	1099-MSA	SA GROSS DISTRIBUTION	240



# Revenue Agent Report

In-depth audits originally assessed by IRS. The IRS forwards this information to the states. We adjust the Utah return if an amended return wasn't filed or it was not corrected the IRS.

Common items adjusted by an RAR audit:

- Filing status, dependents, standard deduction
- Business & rental income/expenses
- Itemized deductions
- Federal credits that may or may not affect UT return (Earned Income Tax Credit, Child Tax Credit, etc.)



# Revenue Agent Report



Utah State Tax Commission  
210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: tax.utah.gov

Letter Issue Date  
February 25, 2026

Make Payment Before  
March 27, 2026

Letter ID

Account Type  
Individual Income Tax (IIT)

Account ID

Period  
Dec-2022



## Notice of Deficiency and Audit Change

The Income Tax & Education Division reviewed your 2022 Utah individual income tax return. Your Utah income tax return was adjusted based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$521.00  
Audit Interest Due (04/18/2023 - 03/27/2026): \$93.52  
Audit Penalties Due: \$0.00

**Audit Total Due: \$614.52**

The Internal Revenue Service (IRS) made changes to your federal return. These changes also affect your Utah return. Attached is a list of item(s) changed on your 2022 federal return. Because of the item(s) changed, the following adjustment(s) were made to your 2022 Utah individual income tax return:

Item(s) Changed on Utah Return	Original	Revised	Net Change
Federal Adjusted Gross Income	53,514	66,966	13,452
Earned Income Tax Credit	179	0	179
Withholding Tax Credit	1,762	2,248	486

This notice only reflects tax, interest, and penalty (if applicable) assessed from the audit and does not include any previous payment or tax liabilities for 2022. For information about the interest calculation, visit our website at tax.utah.gov.

### Paying the Audit

The full payment for the audit adjustment(s) must be received by **March 27, 2026**. You may pay online at [tap.utah.gov](http://tap.utah.gov). Bank account (ACH Debit) payments are free, or pay using a credit/debit card (fee applies; we accept Discover, Visa, MasterCard, and American Express).

You may also pay by check or money order payable to the Utah State Tax Commission. Return the coupon (bottom portion of this notice) and your payment in the enclosed envelope.

You can contact the Collections Division at 801-297-7703 if you cannot pay the total audit amount due. They can help you set up a payment plan.

### Contesting the Audit

If you do not agree with the audit, you may appeal directly to the Tax Commission. For more information, refer to the enclosed Appeal Instructions.



Utah State Tax Commission  
210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: tax.utah.gov

February 25, 2026

Letter ID

## IRS Changes

The IRS made changes to your 2022 federal return. Below is a list of item(s) that were changed:

Item(s) Changed by IRS	Amount
WAGES, SALARIES & TIPS	\$13,452



# State-only Line Item

Credits, deductions, adjustments that are specific to the Utah return.

Common examples of items reviewed include:

- Non/part-year income allocation
- Credits such as Renewable Energy Systems Credits, Health Benefit Plan Credit, Taxes Paid to Another State Credit, my529 Plan Credit (UESP), Withholding Credit, etc.
- Deductions such as Equitable Adjustments, U.S. Government Interest Deduction, Native American Income Deduction, Military Income Deductions, etc.



# State-only Line Item



Utah State Tax Commission  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100  
REQUEST FOR VERIFICATION-Utah Return Items

Website: tax.utah.gov



Letter Issue Date  
February 26, 2026  
Response Required By  
March 30, 2026

AUD  
AUD

Letter ID  
[REDACTED]  
Account Type  
Individual Income Tax (IIT)  
Account ID  
[REDACTED]  
Period  
Dec-2023

The Auditing Division is reviewing your **2023** Utah individual income tax return. Additional information is needed to verify certain credit(s) or deduction(s) you claimed on your return.

The following general information is needed from you:

1. A copy of this letter.
2. Copies of documents we request below. Retain all originals for your records.
3. Your email address and telephone number in case we need to contact you.

Specific information regarding the credit(s) or deduction(s) you claimed is also needed. All information requested must be provided by **March 30, 2026**.

**1. Renewable Residential Energy Systems Credit \$ 5,523**

To verify the credit claimed on your 2023 tax return, provide a copy of form TC40E, Renewable Energy Systems Tax Credit, which has been approved by the Utah Governor's Office of Energy Development (OED).

If the credit is a carryover from a previous year, provide the form TC-40E for the year it was originally approved. For more information about this credit, visit the OED's website at energy.utah.gov.

Unless we hear from you, we will adjust your 2023 Utah individual income tax return. If you do provide additional information, your return may still be adjusted. The adjustment to your return may result in additional tax, interest, and penalty (if applicable) that you will owe.



Utah State Tax Commission  
AUDITING DIVISION 210 N 1950 W SALT LAKE CITY UT 84134-2100  
REQUEST FOR VERIFICATION-Utah Return Items

Website: tax.utah.gov



Letter Issue Date  
March 9, 2026  
Response Required By  
April 8, 2026

AUD  
AUD

Letter ID  
[REDACTED]  
Account Type  
Individual Income Tax (IIT)  
Account ID  
[REDACTED]  
Period  
Dec-2022

The Auditing Division is reviewing your **2022** Utah individual income tax return. Additional information is needed to verify certain credit(s) or deduction(s) you claimed on your return.

The following general information is needed from you:

1. A copy of this letter.
2. Copies of documents we request below. Retain all originals for your records.
3. Your email address and telephone number in case we need to contact you.

Specific information regarding the credit(s) or deduction(s) you claimed is also needed. All information requested must be provided by **April 8, 2026**.

**1. Pass-through Entity Taxpayer Income Tax Credit \$ 16,228**

Provide a copy of Form K-1 for any Pass-through Entity Taxpayer Income Tax Credit that is being claimed for the 2022 tax year.

Unless we hear from you, we will adjust your 2022 Utah individual income tax return. If you do provide additional information, your return may still be adjusted. The adjustment to your return may result in additional tax, interest, and penalty (if applicable) that you will owe.



# Non-filers

Many individuals just don't file returns.

Discovery program creates leads based on multiple factors such as amount of income, where that income is sourced, Utah residency ties, etc.

Common excuses/reasons for not filing a Utah return include:

- I wasn't a Utah resident
- I didn't have Utah source income
- My refund or tax due is small, so why bother filing?
- I didn't think I made enough money
- Marriage, family, financial or medical issues kept me from filing



# Non-filers



Utah State Tax Commission  
210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: [tax.utah.gov](http://tax.utah.gov)

qtl.026 02/2026

Letter Issue Date  
February 27, 2026

Letter ID  
[REDACTED]

Make Payment Before  
March 29, 2026

Account Type  
Individual Income Tax (IIT)

Account ID  
[REDACTED]

Period  
Dec-2022



## Notice of Deficiency and Estimated Income Tax

Our records show you have not filed a 2022 Utah individual income tax return. The Income Tax & Education Division reviewed information from the Internal Revenue Service and from other sources showing you have income and are required to file a return. Your Utah income tax liability was calculated based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$389.00  
Audit Interest Due (04/18/2023 - 03/29/2026): \$69.96  
Audit Penalties Due: \$77.80

**Audit Total Due: \$536.76**

The following adjustment(s) were made to your 2022 Utah individual income tax return:

Items Used in Utah Income Tax Liability Calculation	Amount
Return Type	Full-Year Resident
Filing Status	Head of Household
Total Number of Exemptions	3
Federal Adjusted Gross Income	63,738
Standard or Itemized Deductions	19,400
Personal Exemptions Deduction	5,406
Withholding Tax Credit	1,799

A 10% late filing penalty and a 10% late payment penalty were assessed. For information about the interest calculation, visit our website at [tax.utah.gov](http://tax.utah.gov).

This notice only reflects tax, interest, and penalty assessed from the audit and does not include any previous payment or tax liabilities for 2022. Any 2022 pre-payments you made will change the tax, penalty, and interest listed above.



# Tax, Penalty, Interest & Changes to Return

The Auditing Division reviewed your 2011 Utah individual income tax return. Your Utah income tax return was adjusted based upon available information and additional tax, interest, and penalty (if applicable) are due.

Audit Tax Due: \$2,545.00

Audit Interest Due (04/17/2012 - 05/23/2019): \$432.16

Audit Penalties Due: \$0.00

**Audit Total Due: \$2,977.16**

The Internal Revenue Service (IRS) made changes to your federal return. These changes also affect your Utah return. Attached is a list of item(s) changed on your 2011 federal return. Because of the item(s) changed, the following adjustment(s) were made to your 2011 Utah individual income tax return:

Item(s) Changed on Utah Return	Original	Revised	Net Change
Federal Adjusted Gross Income	5,369	50,907	45,538
Standard or Itemized Deductions	1,684	773	911

This notice only reflects tax, interest, and penalty (if applicable) assessed from the audit and does not include any previous payment or tax liabilities for 2011. For information about the interest calculation, visit our website at [tax.utah.gov](http://tax.utah.gov).



# Paying the Audit

## Paying the Audit

The full payment for the audit adjustment(s) must be received by **March 29, 2026**. You may pay online at **tap.utah.gov**. Bank account (ACH Debit) payments are free, or pay using a credit/debit card (fee applies; we accept Discover, Visa, MasterCard, and American Express).

You may also pay by check or money order payable to the Utah State Tax Commission. Return the coupon (bottom portion of this notice) and your payment in the enclosed envelope.



# Payment Instructions & Coupon

## UTAH AUDIT PAYMENT COUPON



### How Do I Prepare the Payment?

Make your check or money order payable to the Utah State Tax Commission. **Do not send cash.** The Tax Commission does not assume liability for loss of cash placed in the mail.

Write your name and address on the check or money order if they are not preprinted.

Print your Account Number and daytime telephone number on your check or money order.

### How Do I Send in My Payment?

Detach the payment coupon below.

Do not attach the check or money order to the payment coupon.

Enclose the payment and coupon in the envelope provided.

If you put any statement on or with your payment that indicates it will pay your tax in full, will satisfy our claim, or similar language, do not use the enclosed envelope. A payment with this type of statement must be mailed to: Utah State Tax Commission, PO Box 2998, Salt Lake City, UT 84110-2998.

REMOVE COUPON AND MAIL WITH YOUR PAYMENT

### NOTICE OF DEFICIENCY AND AUDIT CHANGE

TAX TYPE Individual Income Tax	PERIOD ENDING Dec-2022	SEND PAYMENT BEFORE March 29, 2026	PAYMENT DUE \$536.76
COUPON CODE	ACCOUNT ID	ENTER AMOUNT PAID	

UTAH STATE TAX COMMISSION  
210 N 1950 W  
SALT LAKE CITY UT 84134-2100

Pay online here



# Division Conference

## Income Tax & Education Division Conference

A division conference may be requested at any time. You may use this informal conference to receive answers to questions you have about the audit, to clarify and resolve issues, or to reach an agreement on issues. To request a division conference, use the contact information below.

A request for a division conference does not protect your appeal rights. To preserve your rights to appeal, a Petition for Redetermination must be filed.

## Division Conference

Sometimes, a taxpayer may have questions or concerns about an ongoing audit. The taxpayer may, at any time during the audit process, speak with the auditor handling the audit, or ask to meet with the auditor's supervisor to resolve any problem.



[tax.utah.gov/general/audits](https://tax.utah.gov/general/audits)

# Failing to Respond & Contact Info

## Failing to Respond to the Audit

Unless you appeal the audit by **April 9, 2026**, this Notice of Deficiency becomes a final assessment and full payment is due. If a petition is not filed or full payment is not received by **April 9, 2026**, your case will be referred to the Collections Division. They will collect the unpaid tax, penalty, and updated interest. A penalty will also be assessed for failure to pay the tax when due. The Collections Division may also record a lien in district court if you do not pay the full amount due.

For questions, contact [REDACTED] by phone at 801-297 [REDACTED] or 1-800-662-4335 ext. [REDACTED] by fax at 801-297-4799, or by email at [REDACTED]. Please note: If you use email, you assume full responsibility for disclosure because we cannot control email security during transit between you and us.

Respectfully,

[REDACTED]  
Auditor  
Income Tax & Education Division



# Contesting the Audit

## Contesting the Audit

If you do not agree with the audit, you may appeal directly to the Tax Commission. For more information, refer to the enclosed Appeal Instructions.



# Appeal Instructions



Utah State Tax Commission  
210 N 1950 W SALT LAKE CITY UT 84134-2100

Website: [tax.utah.gov](http://tax.utah.gov)

qtl.026 02/2026

Letter ID

## Appeal Instructions

### Contesting the Audit

If you do not agree with the audit adjustments, you may file an appeal with the Tax Commission. To protect your appeal rights, you must file a Petition for Redetermination, TC-738, by **March 29, 2026**. This form is available on our website at [tax.utah.gov/forms](http://tax.utah.gov/forms). Interest will continue to accrue during the appeals process on any unpaid balance.

### Submit Your Appeal

The purpose of the petition is to submit in writing the area(s) of disagreement you have with the audit and the relief you are seeking. Attach a copy of this Notice of Deficiency to your completed Petition for Redetermination and return both to the Tax Commission in **one** of the following ways:

**Email:**

[taxappeals@utah.gov](mailto:taxappeals@utah.gov)

**Fax:**

(801) 297-3919

**Mail:**

Appeals Unit  
Utah State Tax Commission  
210 North 1950 West  
Salt Lake City, UT 84134-6200

### Additional Information

The Appeals Unit will assign an appeal number and will notify you of the next scheduled event in the appeal process. The address you provide in your Petition for Redetermination will be used for all correspondence. A copy of your petition will be sent to the Income Tax & Education Division for a written response.

For more information regarding the appeals process, refer to our website at [tax.utah.gov/commission-office/appeals](http://tax.utah.gov/commission-office/appeals). You may also contact the Appeals Unit by email at [taxappeals@utah.gov](mailto:taxappeals@utah.gov).



# Appeals

If a taxpayer disagrees with the audit changes shown on the Notice of Deficiency, they may file an appeal to contest the charges.

A Petition for Redetermination (TC-738) must be filed **within 30 days of the date on the Notice of Deficiency.**

- A petition can be in any form but must be in writing.
- If the 30<sup>th</sup> day falls on a weekend or holiday, the deadline is extended to the next business day.



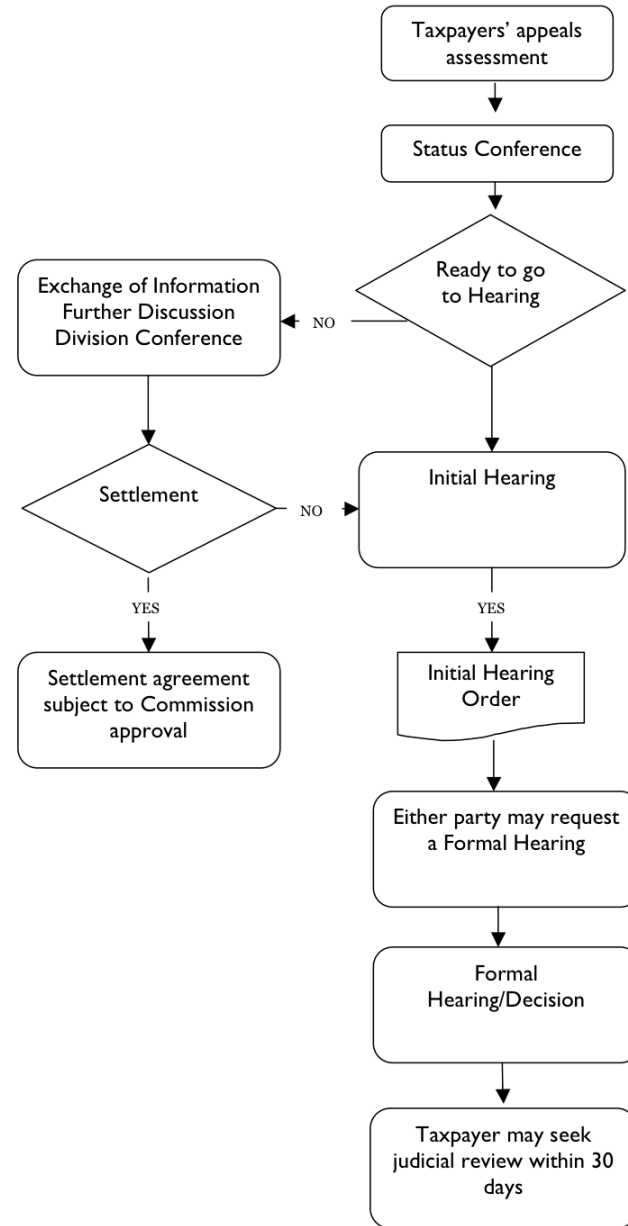
# Appeal Process

- Petition for appeal must be filed within **30 days** of the notice of deficiency.
- The matter is generally scheduled for a status conference before an Administrative Law Judge.
- The parties are allowed additional time to exchange information, pursue resolution of associated dispute with IRS or otherwise work toward an agreement to resolve some or all of the pending issues.
- As new information becomes available, the audit findings may be amended or reversed. The parties may enter a settlement agreement that disposes of the appeal.
- If the parties cannot settle the dispute between them, or if the issue is a purely legal matter that requires a decision by the Commission, the matter is scheduled for a hearing.
- The appeal is set for an Initial Hearing, unless waived by the parties. The Commission's Initial Hearing decision is subject to a request for a Formal Hearing.
- If a Formal Hearing has been held, once the Formal Hearing decision has been issued by the Commission, the taxpayer may seek judicial review of the Commission's Formal Hearing decision within 30 days.



# Appeal Process

[tax.utah.gov/commission/appeals/audits/](http://tax.utah.gov/commission/appeals/audits/)



# Statute of Limitations

- Non-filing – Assessment may be made at anytime.
- Filed Returns – Three years from the date the return is filed. If the return is filed before the due date, will be considered as filed on the due date of the return.
- IRS Audits – Six years from the date the IRS makes a change to the return.
  - 2022 tax return due 4/18/2023
  - IRS makes audit changes 1/14/2026
  - If no UT amended return filed, corresponding audit changes can be made until 1/14/2032



# Recordkeeping

## Utah Administrative Rule R865-91-18:

- (1) Every taxpayer shall keep adequate records for income tax purposes of a type which clearly reflect income and expense, gain or loss, and all transactions necessary in the conduct of business activities.
- (2) Records of all transactions affecting income or expense, or gain or loss, and of all transactions for which deductions may be claimed, should be preserved by the taxpayer to enable preparation of returns correctly and to substantiate claims. All records shall be made available to an authorized agent of the commission when requested, for review or audit.



# Common Errors On Individual Income Tax Returns



# Health Benefit Plan Credit

## Common Errors:

- Already have health insurance plan funded by employer.
- Claiming credit for a supplemental plan.



A nonrefundable tax credit is available if you purchased your own health insurance and were not eligible to participate in a health benefit plan maintained and funded through an employer or former employer.

**Note:** You do not qualify for this credit if you or your spouse had the option to have health insurance through an employer or former employer, even if you chose not to use the employer's plan.

Credit of up to the current Utah tax rate (4.5% for 2025) of premiums paid for a qualified health benefit plan.

## Maximum Credit

**\$300 for a single taxpayer with no dependents**

**\$600 for married filing jointly taxpayers with no dependents**

**\$900 for all taxpayers with dependents**



# Previously -Taxed Retirement Income

## Common Errors:

- Claiming all retirement or social security income
- Commonly claimed on Utah sources of income



**WARNING:** Most filers do not qualify for this subtraction. This subtraction is for very rare cases where Utah taxes retirement income derived from contributions to a retirement plan that were previously taxed by another state.

Subtraction from income for a qualified IRC Section 401(a) retirement plan that is included in your federal adjusted gross income if, in the year it was paid into the plan, the amount was:

1. not included in your federal adjusted gross income; and
2. taxed by another state, the District of Columbia or a possession of the United States.



# Income Taxes Paid To Another State

## Common Errors:

- Claiming the withholding amount on a W-2 as taxes paid to another state.
- Claiming credit for taxes other than income tax.
- Claiming the entire amount of tax paid to another state.
- Part-year residents not prorating correctly on TC-40S.



If you are a Utah resident or part-year resident with income that is taxed by Utah and another state(s), the District of Columbia, or a possession of the United States, you may be entitled to a credit for income tax paid to the other state(s). **Nonresidents do not qualify for this credit.**

**Part Year Residents** complete Schedule B to see if your income was taxed by both states.



# Clean Energy Tax Credits

## Common Errors:

- Claiming the tax before receiving the TC-40E approval from OED
- Claiming credit for the wrong year



### Residential Clean Energy System Tax Credit

This credit is for reasonable costs, including installation, of a residential energy system that supplies energy to a Utah residential unit. Applies to residential installations utilizing: Solar photovoltaic (PV) **(If installed in 2023 or prior)**, wind, geothermal, hydro, biomass or certain renewable thermal technologies.

For installations on residential dwelling units using wind, geothermal, hydro biomass technologies, or certain renewable thermal technologies, the tax credit is non-refundable and calculated as **25 percent of the eligible system cost or \$2,000, whichever is less.**

### Commercial Eligible Technologies

The Renewable Energy Systems Tax Credit applies to commercial installations utilizing solar PV, wind, geothermal, hydro, biomass or certain renewable thermal technologies.

### Commercial Tax Credit Amount for All Eligible Clean Technologies

For installations of commercial buildings, the tax credit is refundable and is calculated as 10 percent of the eligible system cost or \$50,000, whichever is less.

The tax credit amount is calculated the same for all eligible renewable energy technologies.



# Social Security Tax Credit



## Common Errors:

- Using total Social Security instead of taxable portion to calculate the credit.
- Claiming Social Security Benefits and Retirement credit on same tax return.

A taxpayer, spouse (if filing jointly), or a dependent that received taxable Social Security retirement, disability, or survivor benefits may qualify for this credit.

- You may only claim this credit for Social Security benefits included in adjusted gross income on this return.

This tax credit is phased out by **\$0.25** for each dollar over modified adjusted gross income.

The **2025** phase out begins for modified adjusted gross income amounts over:

- \$45,000 for married filing separately
- \$54,000 for single, and
- \$90,000 for married filing jointly.



# Utah Earned Income Tax Credit



## Common Errors:

- Claiming the full federal earned income tax credit.
- No Utah wages on a W-2 – Self employment income does not qualify.

You may claim a nonrefundable Utah earned income tax credit equal to the lesser of 20 percent of your federal earned income tax credit or the total Utah wages shown on W-2s received.

## To qualify you must:

- qualify for and claim the federal credit in the same tax year, and
- earn Utah income that is reported on a W-2.



# Utah Child Tax Credit

## Common Errors:

- Claiming the full federal child tax credit.
- Claiming dependents over 5 years of age



## Utah Child Tax Credit

You may claim a \$1,000 non-refundable credit for any child who:

1. qualifies for the federal child tax credit under IRC 24, and
2. was, on the last day of 2025, **No more than five years old**

Tax Credit reduced by \$.10 per dollar of Modified Adjusted Gross Income over phase out amounts:

Married Filing Separate or filer of 1040-NR - **\$27,000**

Single, Head of Household or Qualified Surviving Spouse - **\$43,000**

Married Filing Joint - **\$54,000**



# Pass Through Entity Addition

## Common Errors:

- Not claiming the addition to income in the year the tax was paid on your behalf.  
NOTE: There is an exception to this requirement if the amount paid was not deducted on the pass-through entities federal return.
- Only claiming the Utah tax paid, not tax paid to all states.



Enter the total tax paid on your behalf by a pass-through entity during the tax year to:

1. Utah under §59-10-1403.2(2), and
2. any other state that imposes a tax similar to the tax described in §59-10-1403.2(2).



# Equitable Adjustments

## Common Errors:

- Non or part year residents backing out non Utah income.
- Removing retirement or social security income.
- Removing income that already has a valid subtraction under Utah code.



### (79) Equitable Adjustments

[\(UCA §59-10-115\(2\)\)](#) 

Enter any qualified equitable adjustment needed to prevent paying double tax. Attach an explanation.

**TIP:** Do not use this subtraction to deduct the income of a nonresident spouse. File [TC-40B, Non or Part-year Resident Schedule](#).



# Domicile- Non and Part Year Residents

## Common Errors:

- All income earned in Utah, or while you are a Utah resident is taxable in Utah.
  - May qualify for a credit for taxes paid to another state.
- Not claiming income received while domiciled in Utah.
- Military and military spouse.



There was a change to Utah domicile rules effective January 1, 2024. To see the new rules please visit: [incometax.utah.gov/general-instructions/#domicile](https://incometax.utah.gov/general-instructions/#domicile)

To view military domicile and filing instructions, please view tax commission [Publication 57](#)



# Utah State Tax Commission Resources

## Contact Us

Practitioner Hotline	801-297-7790 or 1-800-662-4335 ext. 7790
Customer Service – payment processing & liens	801-297-2200 or 1-800-662-4335
Taxpayer Resources Unit – basic tax questions	801-297-7705 or 1-800-662-4335 ext. 7705
TAP Support	801-297-3996 or 1-800-662-4335 ext. 3996 Email: <a href="mailto:tapsupport@utah.gov">tapsupport@utah.gov</a>
Taxpayer Advocate Service	801-297-7562 or 1-800-662-4335 ext. 7562
Email	<a href="mailto:taxmaster@utah.gov">taxmaster@utah.gov</a>
<h2>Online Resources</h2>	
Tax Commission Website	<a href="http://tax.utah.gov">tax.utah.gov</a>
Forms and Publications	<a href="http://tax.utah.gov/forms">tax.utah.gov/forms</a>
Online Services (TAP)	<a href="http://tap.utah.gov">tap.utah.gov</a>
Tax Practitioner Information	<a href="http://tax.utah.gov/taxpros">tax.utah.gov/taxpros</a>
Individual Income Tax	<a href="http://incometax.utah.gov">incometax.utah.gov</a>
Tax Training	<a href="http://tax.utah.gov/training">tax.utah.gov/training</a>

