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/training/webinars

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 our Forms and Publications and our Recent Info and Tax Law Changes page.

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2026-06-18	Sales Tax In the Motor Vehicle Industry	Sales Taxes	Video Link | PDF
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2026-04-23	Sales Related Taxes and Fees	Sales Taxes	Video Link | PDF
2026-03-19	Individual Income Tax Audits and Common Issues	Income Tax	Video Link | PDF
2026-02-19	Taxpayer Access Point	Income Tax	Video Link | PDF
2026-01-15	2025 Individual and Corporate Tax Updates	Income Tax	Video Link | PDF
2025-12-18	Utah Sales Tax Return's and Line Adjustments	Sales Tax	Video Link | PDF

Utah Child/Dependent Tax Information

Does my child need to file a Utah income tax return?

You must file a TC-40 Utah income tax return if you:

1. are a Utah resident or part-year resident who must file a federal return,

2. are a nonresident or part-year resident with income from Utah sources who must file a federal return, or

3. want a refund of any income tax overpaid. To file a Utah return, first complete your federal return, even if you do not have to file with the IRS. You need the federal return information to complete your Utah return.

What are the basic federal requirements for my child to have to file a federal income tax return?

If your filing status is:	File a tax return if any of these apply:
Single under 65	Unearned income over $1,350 Earned income over $15,750 Gross income was more than the larger of: • $1,350, or • Earned income (up to $15,300) plus $450

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Can I claim my child’s income so that they don’t have to file a return?

- The child was under age 19 (or under age 24 if a full-time student) at the end of 2025. Full-time student is defined below.
- The child’s only income was from interest and dividends, including capital gain distributions and Alaska Permanent Fund dividends.
- The child’s gross income for 2025 was less than $13,500.
- The child is required to file a 2025 return.
- The child does not file a joint return for 2025.
- There were no estimated tax payments for the child for 2025 (including any overpayment of tax from his or her 2024 return applied to 2025 estimated tax).
- There was no federal income tax withheld from the child’s income.

A common error when filing a Utah return as a qualified exempt taxpayer is leaving line 12 federal standard or itemized deductions blank.

4	Federal adjusted gross income from federal return	• 4	12000 .00
5	Additions to income from TC-40A, Part 1 (attach TC-40A, page 1)	• 5	.00
6	Total income - add line 4 and line 5	6	12000 .00
7	State tax refund included on federal form **1040, Schedule 1, line 1** (if any)	• 7	.00
8	Subtractions from income from TC-40A, Part 2 (attach TC-40A, page 1)	• 8	.00
9	**Utah taxable income/loss** - subtract the sum of lines 7 and 8 from line 6	• 9	.00
10	**Utah tax** - multiply line 9 by 4.5% (.045) (not less than zero)	• 10	.00
11	Utah personal exemption (multiply line 2d by $2,111)	• 11 .00	
12	Federal standard or itemized deductions	• 12 .00	

Electronic filing is quick, easy and

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Why would it matter? What is qualified exempt anyway?

A **Qualified Exempt Taxpayer** is someone who is exempt from Utah taxes because their federal adjusted gross income (FAGI) for the taxable year is less than or equal to their **standard deduction**.

Here are some examples of when the standard deduction may be modified or be removed completely.

Dependent's have a limited standard deduction that is the greater of:

1. $1,350
2. The dependent's earned income plus $450 which is capped at the normal standard deduction.

Nonresident aliens and dual-status aliens may not quality for a standard deduction.

If a couple files separately and one spouse itemized, then the other spouse does not receive a standard deduction

Note: if you itemize your return then you would still use the standard deduction amount when checking if you are a qualified exempt taxpayer.

Child and Dependent Topics

- Utah Personal Exemption
- Utah Tax Credits

Utah Personal Exemption for Qualifying Dependents

- Qualifying dependents are those you were allowed to claim for a tax credit on federal form 1040 in row (7) of the "Dependents" section (IRC §24).

Federal 1040:

Dependents (see instructions)

If more than four dependents, see instructions and check here . . ☐

	Dependent 1		Dependent 2		Dependent 3		Dependent 4	
(1) First name								
(2) Last name								
(3) SSN								
(4) Relationship								
(5) Check if lived with you more than half of 2025	**(a)** ☐ Yes **(b)** ☐ And in the U.S.		**(a)** ☐ Yes **(b)** ☐ And in the U.S.		**(a)** ☐ Yes **(b)** ☐ And in the U.S.		**(a)** ☐ Yes **(b)** ☐ And in the U.S.	
(6) Check if	☐ Full-time student	☐ Permanently and totally disabled	☐ Full-time student	☐ Permanently and totally disabled	☐ Full-time student	☐ Permanently and totally disabled	☐ Full-time student	☐ Permanently and totally disabled
(7) Credits	☐ Child tax credit	☐ Credit for other dependents	☐ Child tax credit	☐ Credit for other dependents	☐ Child tax credit	☐ Credit for other dependents	☐ Child tax credit	☐ Credit for other dependents

Utah TC-40:

• **2 Qualifying Dependents**

a	______	Dependents age 16 and under
b	______	Other dependents
c	______	Dependents born in 2025
d	______	Total (add lines a, b and c)

See instructions.

General IRS Rules for Dependents

These rules generally apply to **all** dependents:

- A dependent must be a U.S. citizen, resident alien or national or a resident of Canada or Mexico.
- A person can't be claimed as a dependent on more than one tax return, with rare exceptions.
- A dependent can't claim a dependent on their own tax return.
- You can't claim your spouse as a dependent if you file jointly.
- A dependent must be a qualifying child or qualifying relative.

Qualifying child

To qualify as a dependent, a child must also pass these tests:

- Relationship: Be your son, daughter, stepchild, eligible foster child, brother, sister, half-sister or -brother, stepbrother, stepsister, adopted child or the child of one of these
- Age: Be under age 19 or under 24 if a full-time student, or any age if permanently and totally disabled
- Residency: Live with you for more than half the year, with some exceptions
- Support: Get more than half their financial support from you
- Joint return: Not file as married filing jointly unless only to claim a refund of taxes paid or withheld

Qualifying relative

A qualifying relative must meet general rules for dependents and pass these tests:

- Not a qualifying child: Isn't your qualifying child or the qualifying child of any other taxpayer
- Member of household or relationship: Lives with you all year as a member of your household or is a specific type of relative
- Gross income: Has gross income under $5,050
- Support: Gets more than half their financial support from you

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For a full list of IRS requirements, visit the IRS website at irs.gov or the 1040 instruction booklet.

General IRS Requirements For Child Tax Credit

You may be able to claim the Child Tax Credit for each qualifying child who has a Social Security number that is valid for employment in the United States.

To be a qualifying child for the 2025 tax year, your dependent generally must:

- Be under age 17 at the end of the year.
- Be your son, daughter, stepchild, eligible foster child, brother, sister, stepbrother, stepsister, half-brother, half-sister, or a descendant of one of these (for example, a grandchild, niece or nephew).
- Not provide more than half of his or her own support for the tax year.
- Have lived with you for more than half the year.
- Be claimed as your dependent on your tax return.
- Not file a joint return with their spouse for the tax year **or** file it only to claim a refund of withheld income tax or estimated tax paid.
- Be a U.S. citizen, U.S. national or U.S. resident alien.

For a full list of IRS requirements, visit the IRS website at irs.gov or the 1040 instruction booklet.

General IRS Requirements For Credit For Other Dependents

Who qualifies for the Credit for Other Dependents?

- Be claimed as a dependent on your tax return.
- Be a U.S. citizen, U.S. national, or U.S. resident alien.
- Have a Social Security number, Individual Taxpayer Identification Number (ITIN), or Adoption Taxpayer Identification Number (ATIN).

For a full list of IRS requirements, visit the IRS website at irs.gov or the 1040 instruction booklet.

Utah Personal Exemption for Qualifying Dependents

- The 2025 Utah personal exemption is $2,111 per qualifying dependent (from line 2d) and is entered on line 11 of the Utah TC-40 tax return.

Utah TC-40

1 Filing Status - enter code
- **1** = Single
- **2** = Married filing jointly
- **3** = Married filing separately
- **4** = Head of household
- **5** = Qualifying surviving spouse

If using code 2 or 3, enter spouse's name and SSN above

2 Qualifying Dependents
- **a** Dependents age 16 and under
- **b** Other dependents
- **c** Dependents born in 2025
- **d** Total (add lines a, b and c)

See instructions.

3 Election Campaign Fund
Does not increase your tax or reduce your refund.
Enter the code for the party of your choice. Yourself • Spouse •
See instructions for code letters or go to **incometax.utah.gov/elect**.
If no contribution, enter **N**.

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7	State tax refund included on federal form **1040, Schedule 1, line 1** (if any)	• 7	.00
8	Subtractions from income from TC-40A, Part 2 (attach TC-40A, page 1)	• 8	.00
9	**Utah taxable income/loss** - subtract the sum of lines 7 and 8 from line 6	• 9	.00
10	**Utah tax** - multiply line 9 by 4.5% (.045) (not less than zero)	• 10	.00
11	Utah personal exemption (multiply line 2d by $2,111)	• 11	.00

Utah Personal Exemption for Qualifying Dependents

- Starting in the 2023 tax year – In the year of a qualifying dependent's birth, you may claim an additional dependent on the Utah Tax return.

Utah TC-40:

• 2 **Qualifying Dependents**

a	____	Dependents age 16 and under
b	____	Other dependents
c	____	Dependents born in 2025
d	____	Total (add lines a, b and c)

See instructions.

Note that to qualify for c. Dependents born in the current year the dependent must also qualify for a. Dependents age 16 and under.

In other words, the child cannot be an 'other' dependent.

NOTE: The Utah Personal Exemption for qualifying dependents is factored into the calculation for the Taxpayer Tax Credit. This credit may be reduced or phased out based on your income for the tax year.

Utah Child/Dependent Tax Credits

At Home Parent Credit
(code 01)

§59-10-1005

- An at-home parent may claim a **nonrefundable** credit of $100 for each child 12 months old or younger on the last day of the tax year.

- An at-home parent includes the:
  - biological mother or father,
  - stepmother or stepfather,
  - adoptive parents,
  - foster parents,
  - legal guardian, and
  - persons housing a child placed by a child-placing agency for legal adoption.

At Home Parent Credit

(code 01)

§59-10-1005

- To qualify for the credit, all of the following conditions must be met:
  - The child must be 12 months or younger on the last day of the tax year;
  - the at-home parent must provide full-time care in their residence;
  - the child must be claimed as a dependent on the at-home parent's return;
  - the total of the at-home parent's wages, tips and compensation listed on federal W-2 forms and the gross income on federal Schedule C, Profit or Loss from Business, line 7, must be $3,000 or less for the taxable year; and
  - the federal adjusted gross income (TC-40, line 4) must be $50,000 or less.

Note: You may not carry forward or back any credit that is more than your tax liability.

Utah Earned Income Tax Credit

(code AM)

§59-10-1044

- 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.

Earned Income Tax Credit Worksheet

1. Enter your federal earned income tax credit from federal form 1040 or 1040SR, line 27a	1	________
2. Multiply line 1 by 0.2	2	________
3. Total Utah wages shown on form W-2, box 16	3	________

Enter the lesser of line 2 or line 3 on TC-40A, Part 3, using code AM.

Note: You may not carry forward or back any credit that is more than your tax liability.

Utah Educational Savings Plan Credit
(code 20)

§59-10-1017

- 529 plans are designed to encourage saving for future education costs.
  - Earnings in a 529 account grow deferred from federal and state taxes.
  - Withdrawals are tax-free when used on qualified educational expenses.
- If a qualified contribution was made to your Utah my529 account, you may claim a **nonrefundable** tax credit.
  - To qualify, the contribution must be made during the taxable year and must not have been deducted on your federal return.
  - You must be the account owner to claim this tax credit.
  - Contributions made to educational saving plans in other states do not qualify.

Utah Educational Savings Plan Credit
(code 20)

§59-10-1017

- If you are a my529 account owner, you will receive form TC-675H, my529 Tax Statement for Contributions, Withdrawals, and Transfers, from my529.
  - If your filing status is single, head of household, married filing separate or qualifying surviving spouse, enter on TC-40A, Part 3, the amount from TC-675H, box 1A.
  - If your filing status is married filing joint, enter the amount from TC-675H, box 1B.

Keep form TC-675H with your records to provide the Tax Commission upon request. If you have any questions about my529 accounts, call my529 at 1-800-418-2551, or visit my529.org.

Utah Educational Savings Plan Credit Addback

If you withdrew an amount from a Utah my529 account but did not use it for qualified education expenses, and the withdrawal did not meet an exception under IRC §529(c) or §530(d), you will need to include an addition to income on your Utah income tax return, code 54, for the amount that was deducted or used in calculating the my529 credit on your current or a previously filed Utah tax return. If you are a my529 account owner, you will receive form TC-675H, my529 Tax Statement for Contributions, Withdrawals, and Transfers from my529. Keep this form with your records.

Achieving a Better Life Experience – ABLE
(Code 63)

§59-10-1035

- You may claim a **nonrefundable** credit for 4.5 percent of the total qualified contributions you made to a Utah resident's Achieving a Better Life Experience Program account.

- You must make the contributions during the taxable year and have an itemized statement from the qualified ABLE program.
  - You may not claim a credit for an amount of a contribution that is returned to you or an amount already deducted on your federal income tax return.

Credit calculation

Contributions _______ x .045 = Credit _________

For more information, contact:

Department of Workforce Services – ABLEUtah
1595 West 500 South
Salt Lake City, Utah 84104-5238
1-800-439-1653
ableut.com

Carson Smith Opportunity Scholarship Program Credit
(code AG)

§59-10-1041

- You may claim a nonrefundable credit for a donation made to the Carson Smith Opportunity Scholarship Program.
- You will receive a tax credit certificate from the program, listing the amount of the credit.
- You may not claim this credit if you claimed the donation as an itemized deduction on your federal return.

- **Note:** You may carry back one year or forward for the next three years any credit that is more than your tax liability.

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For more information, contact:
info@childrenfirsteducationfund.org
385-204-5331

Utah Child Tax Credit

(code AT)

Effective tax periods beginning on or after January 1, 2024

- You can claim a $1,000 **nonrefundable** tax credit for each qualifying child no more than five years old. (on the last day of the tax year)
  - If you are allowed to claim a federal child tax credit for this dependent.

- Credit is reduced by $.10 for every dollar of modified adjusted gross income that exceeds:

	2025	2026
Married filing separately	$27,000	$30,500
Single or head of household	$43,000	$49,000
Joint filing status	$54,000	$61,000

Child Care Business Tax Credit

Child Care Business Tax Credit

- This credit is for businesses that provide child care for their employees

- Allows a corporate employer or other employer, estate, or trust that qualifies for and claims the federal employer-provided childcare tax credit described in Section 45F, Internal Revenue Code for a current taxable year to:

  - claim a nonrefundable tax credit for 20% of qualified construction expenditures for a qualified childcare facility that are incurred during the taxable year
    - May carry forward for the next five taxable years if the credit exceeds the taxpayer's income tax liability for the taxable year; and

  - claim a nonrefundable tax credit for 10% of qualified childcare expenses incurred during the taxable.
  - No carryforward available for this credit

Child Care Business Tax Credit

- Subjects both the childcare construction expenditures tax credit and the childcare expenses tax credit to recapture if the employer fails to operate a qualified childcare facility for at least five consecutive taxable years, as follows:
  - must repay 100% of the tax credit received if the recapture event occurs with the first two years the credit is first claimed;
  - must repay 75% of the tax credit received if the recapture event occurs between two and three years after the credit is first claimed;
  - must repay 50% of the tax credit received if the recapture event occurs between three and four years after the credit is first claimed;
  - must repay 25% of the tax credit received if the recapture event occurs between four and five years after the credit is first claimed; and

Child Care Business Tax Credit

Changes effective January 1, 2026

- Expanded the tax credit to apply to off-site child care facilities.
- Amended the definition of “qualifying taxpayer” to limit tax credit eligibility to employers that do not obtain payment from an employee or deduct from an employee’s salary or wages for child care services.
- For eligible small businesses, increases the tax credit amount from 10% to 30% of qualified child care expenditures (for all other businesses, the tax credit amount remains at 10%).
- Removed the requirement for an employer to have claimed the tax credit for construction expenditures for the current or a previous taxable year in order to claim the tax credit for child care expenditures .

Child Care Business Tax Credit

Changes effective January 1, 2026

- Requires the Governor's Office of Economic Opportunity (GOEO) to develop and maintain a webpage for employers to obtain information and resources regarding the employer-provided child care tax credits and provides that the GOEO may coordinate with the Tax Commission in developing and maintaining the webpage (effective May 6, 2026)

https://business.utah.gov/community-initiatives/utah-employer-child-care-tax-credits/

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: tapsupport@utah.gov
Taxpayer Advocate Service	801-297-7562 **or** 1-800-662-4335 ext. 7562
Email	taxmaster@utah.gov
Online Resources	
Tax Commission Website	tax.utah.gov
Forms and Publications	tax.utah.gov/forms
Online Services (TAP)	tap.utah.gov
Tax Practitioner Information	tax.utah.gov/taxpros
Sales and Use Tax Information	tax.utah.gov/sales
Tax Training	tax.utah.gov/training