

Utah law (§59-7-608) allows a nonrefundable tax credit against the corporate franchise or income tax for employers who hire persons with disabilities who work for the employer for at least six months in a taxable year.

Do not send this form with your return. Keep this form and all related documents with your records.

PART A

| | | |
|----------------------------------|----------------------------------|----------|
| Name of employer claiming credit | Employer's identification number | |
| Address | Telephone number | |
| City | State | ZIP Code |

PART B - Certification To be completed by the Division of Services for People with Disabilities

I certify the individuals listed below (1) have been receiving services from a day-training program or from a supported employment program for persons with disabilities, certified by the Department of Human Services as a qualifying program, for at least six consecutive months in the taxable year prior to working for the employer claiming the tax credit, or (2) were eligible for services from the Division of Services for People with Disabilities at the time the individuals began working for the employer.

| | | |
|----------------------|-------|------|
| Authorized signature | Title | Date |
|----------------------|-------|------|

PART C - Summary Worksheet For Disabled Employees Credit *Worksheet instructions on back*

| Column A Name of disabled employee | Col. B Number of months worked in the taxable year | Column C Social security number of disabled employee | Column D First 180 days of gross wages earned by disabled employee (see instructions) | Column E Remainder of gross wages earned by disabled employee in taxable year (see instructions) | Column F 10% of Column D | Column G 20% of Column E | Column H Add columns F and G <i>Limited to \$3,000 per disabled employee</i> |
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|---|---|--|
| 1. Total amount of tax credit (add amounts in column H) | 1 | |
| 2. Tax from tax return | 2 | |
| 3. Tax credit allowed (lesser of line 1 or line 2) | 3 | |

Carryover of Excess Credit (if any)

| | | |
|---|---|--|
| 4. Carryover from original year (subtract line 3 from line 1) | 4 | |
| 5. First carryover year | 5 | |
| 6. Second carryover year | 6 | |

| Column A Carryover year | Column B Credit claimed in carryover year | Column C Previous year Column C less current year Column B |
|----------------------------|--|---|
| | | |
| | | |
| | | No further carryover |

Refer to the corporate tax (TC-20) instructions on how to claim this credit.
Credit code is "09".

General Procedures and Instructions

An employer may take a nonrefundable credit against the corporate franchise or income tax based on amounts paid to persons with disabilities who work for the employer.

The credit applies only to the wages paid by an employer to individuals with disabilities. The credit shall be equal to 10 percent of the gross wages earned in the 180 days by the employee with disabilities; plus 20 percent of the gross wages earned in the remainder of the taxable year by the employee with disabilities.

For example, if an employee with disabilities begins working with an employer March 1, and the employer is a calendar year filer, the employer shall calculate its credit using the following steps: (1) multiply the wages earned by the employee from March 1 through August 27 by 10 percent; (2) multiply the wages earned by the employee from August 28 through December 31 by 20 percent; and (3) add those two amounts.

For purposes of this credit, individuals with disabilities are defined as individuals who : (1) have been receiving services from a day-training program or from a supported employment program for persons with disabilities, which is certified by the Department of Human Services as a qualifying program, for at least six consecutive months

prior to working for the employer who is claiming the tax credit; or (2) were eligible for services from the Division of Services for People with Disabilities at the time the individual began working for the employer claiming the tax credit.

An employer qualifies for this credit only if the individual with a disability: (1) works in this state for at least 180 days in a taxable year for the employer; and (2) is paid at least minimum wage by the employer. The credit is limited to \$3,000 per disabled employee during the taxable year. The credit is allowed only for the first two years the individual with a disability is employed by the employer.

Credit amounts greater than Utah corporation tax liability in the tax year in which credit is earned may be carried forward to the following two tax years. Carryforward credits shall be applied against the tax liability of any year before the application of any credits earned in the tax year on a first-earned first-used basis.

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PART B of this form, must be completed and signed by an authorized representative of the Division of Services for People With Disabilities.

PART C - Worksheet Instructions

- Column A: List the individuals you employ who meet the definition of an individual with a disability.
Column B: Enter the number of months the disabled employee worked in the taxable year for the business.
Column C: Provide the social security number of the individuals listed in column A.
Column D: Enter the first 180 days of gross wages paid to employees with disabilities for the taxable year.
Column E: Enter the remainder of gross wages paid to employees with disabilities for the taxable year.
Column F: Enter 10 percent of the amount listed in Column D.
Column G: Enter 20 percent of the amount listed in Column E.
Column H: Add columns F and G. If the amount of credit for the employee with disabilities is greater than \$3,000, enter only \$3,000.

Line Instructions

- Line 1: Add the amounts in Column H and enter the results on line 1.
Line 2: Enter the tax liability shown on the corporation return.
Line 3: Enter the lesser of line 1 or line 2. This is the allowable credit.
Lines 4 - 6: If the initial credit (line 1) is greater than the tax liability (line 2), complete lines 4 through 6 to calculate the carryover credit for the following two years.

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