

Effective 5/10/2016

59-7-311 Method of apportionment of business income.

- (1) For a taxable year, all business income shall be apportioned to this state by multiplying the business income by a fraction calculated as provided in this section.
- (2) Subject to the other provisions of this part, a taxpayer, except for a sales factor weighted taxpayer and an optional sales factor weighted taxpayer, shall calculate the fraction for apportioning business income to this state using one of the following fractions:
 - (a) a fraction where:
 - (i) the numerator of the fraction is the sum of:
 - (A) the property factor as calculated under Section 59-7-312;
 - (B) the payroll factor as calculated under Section 59-7-315; and
 - (C) the sales factor as calculated under Section 59-7-317; and
 - (ii) the denominator of the fraction is three; or
 - (b) a fraction where:
 - (i) the numerator of the fraction is the sum of:
 - (A) the property factor as calculated under Section 59-7-312;
 - (B) the payroll factor as calculated under Section 59-7-315; and
 - (C) the sales factor as calculated under Section 59-7-317 multiplied by two; and
 - (ii) the denominator of the fraction is four.
- (3) Subject to the other provisions of this part, a sales factor weighted taxpayer shall calculate the fraction for apportioning business income to this state using a fraction where:
 - (a) the numerator of the fraction is the sales factor as calculated under Section 59-7-317; and
 - (b) the denominator of the fraction is one.
- (4) Subject to the other provisions of this part, an optional sales factor weighted taxpayer shall calculate the fraction for apportioning business income to this state using a method described in Subsection (2)(a), (2)(b), or (3).
- (5)
 - (a) The taxpayer shall determine the method for calculating the fraction for apportioning business income to this state under this section on or before the due date for filing the taxpayer's return under this chapter for the taxable year, including extensions.
 - (b) The method described in Subsection (5)(a) is in effect for the taxable year.
- (6) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules providing procedures for a taxpayer to make the election required by Subsections (2) and (4).

Amended by Chapter 311, 2016 General Session

Amended by Chapter 323, 2016 General Session